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# ***Daily Report***

## **East Asia**

FBIS-EAS-95-220  
Wednesday  
15 November 1995

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# Daily Report

## East Asia

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**NOTICE:** An \* indicates material not disseminated in electronic form.

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**KEDO, DPRK Enter Negotiations 'Final Stage'**

SK1111001195 Seoul KBS-1 Radio Network  
in Korean 2200 GMT 10 Nov 95

[FBIS Translated Text] The Korean Peninsula Energy Development Organization [KEDO] and North Korea have narrowed their differences to a considerable extent on the scope of the provision of light-water reactors and the conditions for reimbursement, which had been the most disputed issues of the agreement on the provision of light-water reactors. Based on this, they entered the final stage of the negotiations.

A relevant KEDO official on 10 November said that the North Korean delegation showed a positive attitude toward the negotiations and it is presumed that they will be settled within a week. Thus, he suggested that the negotiations on the provision of light-water reactors, which have experienced difficulties in the past, have made rapid progress.

KEDO and North Korea held expanded high-level talks at the conference room of the KEDO Headquarters in downtown New York on the afternoon of 9 November and made adjustments to their respective positions. In addition, experts from both sides held separate talks and discussed details of the draft agreement on the provision.

**Agree on Reactor Total Expenses**

SK1211235295 Seoul KBS-1 Radio Network  
in Korean 2210 GMT 12 Nov 95

[Report by Yi Kwang-chul from New York]

[FBIS Translated Text] The Korean Peninsula Energy Development Organization [KEDO] and North Korea have discussed the key points at issue during the negotiations for the provision of light-water reactors. As a result of the discussions, the total expenses for the project turned out to be \$6 billion, a 50-percent increase from \$4 billion, the amount earmarked earlier.

KEDO and North Korea agreed on the issue of including loading and unloading facilities in the scope of light-water reactor provision for transporting materials and equipment, in addition to power station and construction facilities.

A relevant KEDO official stated that since differences between the two sides over the scope of the provision had been removed, the expenses for the light-water reactor project, which were initially estimated to be \$4 billion, will inevitably increase by 50 percent, amounting to \$6 billion.

**'Unofficial' Inter-Korean, U.S. Contacts Held**

SK1411012895 Seoul YONHAP in English  
0123 GMT 14 Nov 95

[FBIS Transcribed Text] Washington, Nov. 13 (YONHAP) — The two Koreas are having unofficial contacts, with the United States assuming a role, through the American-led Korean Peninsula Energy Development Organization (KEDO) and U.S.-North Korea dialogue that took place at the truce village of Panmunjom, informed sources here said Monday [13 November].

A source noted that the recent KEDO-North Korea light-water nuclear reactor supply talks in New York have made far more progress than reported and added that attention should be paid to unofficial inter-Korean contacts briskly under way through KEDO channels.

Another source said Washington and Pyongyang have discussed the issue of replacing the Armistice Agreement of the Korean war with a peace treaty at Panmunjom, adding inter-Korean communication took place during these talks.

With U.S. visits by North Koreans becoming more frequent recently, U.S. relations with the Stalinist state now are different from what they were months ago, he remarked.

**More on Commonwealth Heads of Government Meeting**

**UK Arms Embargo Against Nigeria**

BK1211084495 Hong Kong AFP in English  
0832 GMT 12 Nov 95

[FBIS Transcribed Text] AUCKLAND, Nov 12 (AFP) — Prime Minister John Major on Sunday announced an immediate arms embargo against Nigeria by Britain after the execution of nine leading anti-government activists.

Major said before leaving Commonwealth Heads of Government Meeting in New Zealand that he would also like the "widest possible embargo on defence sales" to Nigeria.

"The policy we have in the United Kingdom is already highly restrictive, we shall bring in an immediate ban on a national basis and ask our partners to do the same", the prime minister said.

"What we will now consider urgently with our partners is the most effective way of following up these immediate steps," he added.

The Commonwealth has suspended Nigeria over the killing of human rights campaigner Ken Saro-Wiwa

and eight other government opponents. On Sunday it set a two year deadline for Nigeria's military regime to improve its human rights and political record or be expelled.

Major said the Commonwealth had "agreed on permanent measures of increasing severity to encourage and persuade governments to return to acceptable behaviour.

"Those measures can result in suspension or expulsion from the Commonwealth. They are specially designed to tackle military regimes which have overthrown a democratically-elected government but will be applicable in other circumstances as well.

"We have also set up a standing body whose job will be to implement the Harare Principles and make their recommendation for action whenever that might be necessary."

The Commonwealth passed a declaration on "good government" at a Harare summit in 1991 intended to push all member governments into embracing democracy and basic human rights.

Major described the hanging of Saro-Wiwa and the eight others as "judicial murder - callous and brutal, it was a direct challenge to the Commonwealth."

He condemned the way that the executions went ahead despite pleas made at the conference by him, New Zealand Prime Minister Jim Bolger, the Commonwealth summit chairman, and South African President Nelson Mandela.

Major said quiet diplomacy had been tried with the Nigeria but it had not worked.

"I believe the Commonwealth had no choice but to respond swiftly and decisively, it has done by suspending Nigeria's membership of the Commonwealth and making its return dependent on a return to civilian democracy and the release of political prisoners now held in jail there.

"If Nigeria does not comply, it will be not suspended but expelled from the Commonwealth."

Major said [if] this action had not been taken then it would have shown the Harare Principles "were not worth the paper they were written on.

"I think after the last couple of days people know the Commonwealth is serious about the principles, serious in the short-term and serious in the future.

### **Mahathir on Human Rights Issue**

BK1411053795 Kuala Lumpur THE STAR in English  
14 Nov 95

[Report by Lim Chye Khim — received via Internet]

[FBIS Transcribed Text] AUCKLAND — The Commonwealth has to consider the level of development of a country and the sophistication of its people when drawing up criteria for good governance and human rights, Datuk Sri Dr Mahathir Mohamed said yesterday.

The Prime Minister said that while many countries in the Commonwealth had long experienced democracy, there were "new" countries which were not experienced in government.

He said the criteria was something that had to be worked out carefully as "one man's democracy may be another man's dictatorship."

"It all depends on your point of view and state of political development," he told a press conference at the end of the Commonwealth Heads of Government Meeting here.

Asked whether Malaysia was prepared to let Commonwealth foreign ministers assess its human rights record, Dr Mahathir said they were welcome to do so.

"We will defend our position because we think we are democratic even if a lot of others think we aren't."

Dr Mahathir said the most important thing about democracy was the ability to have elections and change governments.

He said he believed that organisations like the Commonwealth should always be flexible but not to the extent of giving up its principles entirely.

"The reason why we had to decide on Nigeria (its suspension and two-year deadline to remedy the situation in the country) is because we think they have gone too far."

On the two-year deadline imposed on Nigeria, Dr Mahathir said this was the feeling of the Commonwealth countries.

"However, I think that in six to 12 months the people (military leaders) should be able to show some movement towards accommodating the opinion of the Commonwealth."

On the question of Fiji's readmission into the Commonwealth, Dr Mahathir said the association should be "a little more relaxed because not all of us are without blame regarding the way we treat minorities in our countries."

He said the Fijian Government was trying to bring progress to the country and "I would like to readmit it (Fiji) now. By admitting it we will be able to exert more influence and help it with its problems," he said.

Responding to a question on the nuclear tests issue, Dr Mahathir reiterated Malaysia's stand on total elimination of nuclear weapons.

"And we will condemn anyone who does any testing anywhere. If the French must do the testing, I would suggest the North Sea would be a very fine place," he said.

#### **Declaration Implementation Group**

*MB1311162795 Johannesburg Channel Africa Radio in English 1500 GMT 13 Nov 95*

[FBIS Transcribed Text] An action group of eight foreign ministers, including [South African Foreign Minister] Mr. Nzo, has been set up to monitor compliance by Commonwealth members with the 1991 Harare Declaration, stating its key political principles, including democracy, human rights, and good government. Other members of the group are Zimbabwe, Ghana, Malaysia, Jamaica, Britain, Canada, and New Zealand.

#### **Summit Releases Final Communique**

*LD1311093595 Wellington Radio New Zealand International in English 0800 GMT 13 Nov 95*

[FBIS Transcribed Excerpt] The Commonwealth Heads of Government Meeting [CHOGM] has released its final communique, which includes condemnation of nuclear testing and action against Nigeria. It was announced that South Africa, Zimbabwe, Ghana, Malaysia, Jamaica, Britain, Canada, and New Zealand will form a ministerial action group on human rights. The group was set up in response to the problems in Nigeria, which was suspended from the Commonwealth after the hanging of nine political activists. Also announced in the 50-point communique was the decision to host the next CHOGM in Britain in 1997.

The Commonwealth Heads of Government Meeting in Auckland is now in its final stages, with leaders and representatives of the 52-member association preparing to make their farewells. [passage omitted]

#### **Kliridhis Comments on Resolution**

*NC1311141595 Nicosia Cyprus Broadcasting Corporation Radio Network in Greek 1130 GMT 13 Nov 95*

[FBIS Translated Text] The Commonwealth Summit has called on the UN Security Council to take decisive action on the Cyprus issue and adopt the necessary

measures for the swift implementation of its resolutions on Cyprus, especially UN Security Council Resolutions 365, 550, and 939. In the final resolution of the Commonwealth Summit in Auckland, New Zealand, the leaders noted that the lack of progress in the Cyprus issue is due to the lack of political will by the Turkish side. They also expressed full support for President Glavkos Kliridhis' demilitarization proposal and asked that all Turkish troops and settlers leave Cyprus soon. In the final resolution the leaders also supported Cyprus' independence, sovereignty, and unity and said they are concerned with the continuing inflow of settlers. They also asked that the refugees return to their homes in safety, that human rights be restored and respected, and that the fate of the missing persons be determined. The leaders reaffirmed support for the UN secretary general's efforts for a Cyprus solution and agreed that the action group for Cyprus continues to watch developments and support Butrus-Ghali's efforts.

President Glavkos Kliridhis said he was satisfied with the final resolution because it contains elements proving that the Turkish side is responsible for the lack of progress in Cyprus. Kliridhis noted that the provisions of the resolution include one that calls on the UN Security Council to act decisively. He pointed out that above all the Commonwealth resolutions now include a decision that its members coordinate to support the solution of problems according to resolutions at the United Nations. President Kliridhis stressed that the Commonwealth's resolution is a strong message to the Turkish Cypriots that they must not have illusions about recognition. He said he is convinced a particular climate has been created, one that would have been very difficult to create if Cyprus had not participated in the Nonaligned Movement and the Commonwealth. The president concluded: The work of these two congresses would help us if we needed to appeal to the United Nations and the General Assembly.

A CyBC [Cyprus Broadcasting Corporation] correspondent reported from New Zealand that Britain expressed reservations over two points of the reference to the Cyprus issue. The first concerned the expression of full support for President Kliridhis' demilitarization proposal and the second the reference to the Turkish side's lack of political will for progress in the Cyprus issue. Britain lifted its reservations on condition that the positions it expressed at the appropriate preparatory committee be reflected in the minutes. Three Islamic countries usually support the Turkish positions on Cyprus—Pakistan, Bangladesh, and Malaysia—but they raised no objections to the reference to the Cyprus issue in the final resolution. The British objections were lifted after meetings between the Cypriot and British dele-



gations and three meetings between Foreign Minister Alekos Mikhailidhis and British Deputy Foreign Secretary Baroness Chaulker.

#### Arrivals of Delegations for APEC Meeting Noted

##### Taiwan Officials Arrive in Osaka

OW1311131195 Tokyo KYODO in English  
1115 GMT 13 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 13 KYODO — Taiwanese officials including Economics Minister Chiang Pin-kung and Finance Minister Lin Chen-kuo were the first cabinet-level participants in the Nov. 16-19 APEC talks to arrive in Osaka on Monday.

The two ministers and Sun Ming-hsien, head of the Taiwanese cabinet's Council of Agriculture, were welcomed at Kansai international airport by officials from the Ministry of International Trade and Industry (MITI).

Ku Chen-fu, chairman of Taiwan's Straits Exchange Foundation, a semiofficial body for talks with China, is to arrive Sunday to attend an informal leaders' summit.

Ku, who is also chairman of Taiwan Cement Corp. and other major companies, is sitting in for Taiwan president Li Teng-hui, who was not invited due to Chinese protests.

The ministerial delegations from Brunei, the Philippines, Papua New Guinea and some other participants in the 18-member Asia-Pacific Economic Cooperation (APEC) forum are scheduled to arrive in Osaka on Tuesday.

##### USTR Kantor, Other Delegations

OW1411125295 Tokyo KYODO in English  
1115 GMT 14 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO — U.S. Trade Representative [USTR] Mickey Kantor and other ministers from Asia-Pacific Economic Cooperation (APEC) members arrived in Osaka on Tuesday [14 November] for a two-day APEC ministerial meeting opening Thursday.

Ministerial delegations from Brunei, Thailand, the Philippines, Hong Kong and other members of the 18-member APEC also arrived at Osaka international airport to attend the meeting.

From Japan, host of this year's APEC meetings, International Trade and Industry Minister Ryutaro Hashimoto and Foreign Minister Yohei Kono arrived in Osaka from Tokyo.

#### Indonesian Ministers Arrive

BK1511065195 Jakarta KOMPAS in Indonesian  
15 Nov 95

[Unattributed report — received via Internet; italicized words in English]

[FBIS Translated Excerpt] Osaka, KOMPAS — Differences in opinion among senior APEC [Asia-Pacific Economic Cooperation] officials, particularly over the principles of *comprehensiveness* and *flexibility* in the implementation of the Bogor Declaration have not been completely overcome. Hartarto, coordinating minister for industry and trade, as chief delegate of the Republic of Indonesia to the APEC ministerial meeting, said last night: "Tough negotiations are normal. APEC faced a similar problem in Bogor last year."

When asked by reporters upon his arrival in Osaka, Japan, on Tuesday evening (14 November), the coordinating minister for industry and trade added that Indonesia hoped that there would be a consensus in the Osaka meeting on the implementation of the Bogor Declaration. Hartarto arrived in Osaka along with Foreign Minister Ali Alatas.

KOMPAS correspondents Bambang Sukartiono and James Luhulima and the KOMPAS representative in Japan, Yusron Ihza, quoted the minister as saying last night: "It must be remembered that a vision for APEC was set at the first economic leaders meeting in Seattle (the United States) in 1993 and a goal for APEC was established at the second meeting in Bogor. APEC is expected to issue an action agenda on the Bogor Declaration at the third meeting in Osaka. Above all, APEC's objective is to obtain benefits for the member countries themselves." [passage omitted]

#### ROK, Singapore, Thailand Ministers

OW1511034195 Tokyo KYODO in English  
0303 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — South Korea's foreign minister and its trade and industry minister arrived in Osaka on Wednesday morning to take part in the meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

Minister of Foreign Affairs Kong No-myong and Minister of Trade, Industry and Energy Pak Chae-yun will participate in the APEC ministerial meeting Thursday and Friday which precedes the informal APEC summit Sunday.

Japan is expected to set up a bilateral foreign ministers' meeting Wednesday afternoon to explain about controversial comments made last month by cabinet member



Takami Eto on Japan's colonial rule of Korea, and his subsequent resignation recently as director general of the Management and Coordination Agency.

Among those who also arrived Wednesday morning were Singapore's Foreign Minister Shanmugam Jayakumar, Thailand's Foreign Minister Kasemsamson Kasemsi and Malaysia's Foreign Minister Ahmad Badawi.

From China, vice premier and foreign minister Qian Qichen is due to arrive in the afternoon.

#### PRC Ministers, U.S.'s Pena Arrive

OW1511120095 Tokyo KYODO in English  
1024 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Chinese and other cabinet ministers arrived in Osaka on Wednesday [15 November] to attend a ministerial meeting of the Asia-Pacific Economic Cooperation (APEC) forum Thursday and Friday.

A Chinese delegation including Foreign Minister Qian Qichen and Foreign Trade Minister Wu Yi arrived at Kansai international airport in the afternoon.

U.S. Transportation Secretary Federico Pena also arrived in Osaka to attend the APEC meeting.

U.S. State Secretary Warren Christopher and Commerce Secretary Ron Brown, both due to arrive Wednesday, are expected to arrive in Osaka on Thursday, officials said. [sentence as received]

#### APEC Officials Leave Difficult Issues Unsolved

OW1311133995 Tokyo KYODO in English  
1256 GMT 13 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 13 KYODO — Senior bureaucrats from the Asia-Pacific Economic Cooperation (APEC) forum on Monday [13 November] agreed to leave four difficult APEC issues, including agriculture, to be resolved at a higher ministerial meeting later this week, Japanese Government officials said.

"We have reached consensus on almost all parts of the action guidelines to realize APEC's free trade goal," one government official said.

"But big gaps we have been unable to bridge in the past were carried over to today and remain even after Monday's talks," the official said in a briefing on the first day of a two-day preparatory session for an APEC ministerial meeting Thursday and Friday, and the APEC summit on Sunday.

The official said pending issues are still under negotiation on a bilateral basis. "But we will stop talking about these issues after Tuesday's morning session and will

clarify which issues should be left to ministerial judgment," he said.

Vice ministerial-level officials from the 18 APEC economies were meeting at an Osaka hotel facing Osaka castle, the venue of the third informal APEC summit, for the sixth time under the APEC Japan round that began in the city of Fukuoka in February.

A solution to APEC's thorniest issue — how to liberalize agricultural trade in the Asia-Pacific rim — may be in sight due to a recent new compromise proposal by Japan, chair nation of this year's APEC round, on a key trade principle.

"Differences have been narrowed significantly. A landing point is gradually looming larger," the Japanese official said.

At issue is whether or not APEC's trade-freeing accords should be applied to all industrial sectors, including sensitive areas like agriculture, in a comprehensive manner.

Japan has supported the "comprehensiveness" principle but also proposed that the principle of "diversity" be added to APEC's set of general principles to be endorsed by the APEC leaders on Sunday.

Specifically, the diversity principle drafted by Japan says, "flexibility will be exercised in allowing different treatment of economic sectors in the liberalization and facilitation process, taking into account the sectoral specificity in each member economy."

China, South Korea and Taiwan joined forces with Japan in introducing the principle.

But the 14 remaining members, especially the United States and Australia, sharply reacted against the idea, claiming the term "sectoral specificity" would virtually allow sensitive sectors like agriculture to be excluded from the principle of comprehensive liberalization.

To try to break the impasse, Japan has recently proposed dropping the term "sectoral specificity" while keeping the idea of "flexibility," according to Japanese Government sources.

The Japanese officials said Japan is coordinating conflicting views on the issue on the basis of its new proposal.

South Korea is said to be the most vocal in the Japanese camp about "flexibility" in the comprehensive trade principle, saying the two phrases — "different treatment of economic sectors" and "sectoral specificity" — should at least be kept intact in the final version of the diversity principle.

Ban Ki-moon, head of a high-level South Korean delegation, told reporters Monday, "there is no change yet (in Seoul's stance). We are still discussing it."

The Japanese official said, "the issue has reached a level needing a political decision. We will pay attention to what will result from the upcoming ministerial meeting."

One conference source said a final solution on the issue depends on negotiations between South Korea and Australia, the country said to be most positive about APEC's comprehensive principle.

Another difficult issue is APEC's principle of "nondiscrimination," which is related to feuding between the United States and China over most-favored-nation (MFN) status.

Beijing claims nondiscriminatory or MFN treatment should be ensured within the APEC region.

But Washington cannot technically make that assurance to China because of a Cold War-era law that requires annual renewal of the right of communist countries to MFN status.

Beijing is eager to establish a nondiscriminatory rule within the APEC region as it has undergone a rigorous screening by the U.S. for annual MFN renewals.

"Japan may play a mediating role in the dispute between the U.S. and China by offering a mutually acceptable proposal. But the issue, as it has a highly political nature, will not be that easy," another Japanese briefer said.

Views are still wide apart among APEC members over to what extent each APEC member should seek reciprocity in implementing certain trade liberalization steps, the Japanese officials said.

APEC economies like the U.S. are said to be seeking a rigid rule for the "comparability" principle, while China and Malaysia sound reluctant about introducing a negotiation-oriented approach to APEC.

APEC members are also divided over competition policy, one of 15 specific areas covered by the action guidelines, the officials said.

China wants specific wording rejecting antidumping duties included in the guidelines while members like the U.S. are against such wording, the officials said.

#### **Mahathir Against APEC Becoming 'Institution'**

**BK1411053595 Kuala Lumpur THE STAR in English 14 Nov 95**

[Report by Lim Chye Khim — received via Internet]

[FBIS Transcribed Text] AUCKLAND: The Asia-Pacific Economic Co-operation (Apec) should not only be a forum to discuss problems but also have programmes to help the less developed economies overcome their difficulties, Datuk Sri Dr Mahathir Mohamed said yesterday.

The Prime Minister said in this way the less developed economies would grow and be less disadvantaged than the more powerful ones.

He said here that in Apec the members were actually competing economies and "whenever you are competing, you need to hang on to competitive advantages that you have.

"So, when you find yourself weak in certain areas, you need to have some protection, and that is why we still feel that Apec should not be structured (like an institution)."

On the split between Japan, China, Taiwan, and South Korea on one hand and countries like the United States, Australia, New Zealand, and other agricultural exporters on the other hand over the agricultural trade issue, he said the countries must be allowed to consider whether they were ready to open up their markets.

He said he had foreseen this at the Bogor meeting last year, "which was why I said we cannot be held down for any particular date."

Asked whether Japan should be required to meet the free trade deadline of 2010 regarding agriculture trade, he said that as Malaysia would not commit itself to that undertaking, "I cannot say we should insist that others give that undertaking."

"We know there is a special problem with regard to agriculture in Japan. It is no good agreeing only to find that your government will topple because of your willingness to agree to something that is due to external pressure but internally is not quite acceptable," he said, adding that there must be flexibility.

"It's not easy for a government to make a commitment to other countries without taking into consideration its own domestic opinions," he said.

Asked whether he had given up the idea of the EAEC [East Asia Economic Caucus], Dr Mahathir drew laughter when he said: "No, not on your life."

To a question whether Malaysia as a member of Asean could lead in establishing economic co-operation with the smaller Pacific island nations, Dr Mahathir said that in fact Malaysia was doing this at the moment.

He said Malaysia believed that if it helped other countries to become prosperous, they would become its customers.

Asked about relations with his Australian counterpart Paul Keating and between the two countries, he said they "are as good as can be and I'm on talking terms with Keating."

#### **APEC Members 'Surprised' by Malaysian Comments**

*BK1511071095 Bangkok THE NATION in English  
15 Nov 95 p A3*

[Report by Chirawat na Thalang and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Osaka — Malaysian officials yesterday surprised other members of the Asia Pacific Economic Cooperation [APEC] by expressing their reservations about several minor points already agreed to during the past few days, an informed source said.

The source said Malaysia's reservations applied to three minor issues, including a proposal to set up an Apec Business Advisory Council, a body of representatives from the Apec private sector to work out how to achieve Apec's objective of trade and investment liberalization.

Malaysian delegates said the issues which had already been agreed on by senior Apec officials over the weekend should be left to their economic ministers and heads of government to decide, added the source.

"I don't understand why the Malaysian officials reversed their position. I think all senior Apec officials have already agreed on these issues," the Apec source said.

The reservations expressed yesterday led other Apec members to believe that members of the Malaysian delegation might have received instructions from their ministers to slow down the forward momentum of the talks.

The source said that some Apec officials had warned the Malaysian officials that they should not try to step backward.

"We have already made the declaration."

The source said Malaysia should not be left out of the Apec process.

Last year Malaysia was the only country to express reservations in the Bogor Declaration of trade and in-

vestment liberalization, by the year 2020 for developing countries and 2010 for developed countries.

Malaysia has stood firm in its opinion that the years mentioned in the declaration should be "indicative," not a binding deadline for all Apec members.

The source said China yesterday complicated the matter by saying that it supported the Malaysian stance that the years were "indicative" and not the target date.

The source said Beijing cannot reverse its stance as it had already committed itself to the Bogor Declaration last year.

"They (China) don't have any reason to back down at this time because they already committed themselves at Bogor," the source said.

Malaysia yesterday also joined a few other countries in insisting that changes be made in the wording of the comparability principle in the Action Agenda, a blueprint for Apec to liberalize its trade and investment, the source said.

It added that using the US-proposed word "balance" in the comparability principle could lead to negotiations and penalties, including sanctions, when Apec members implement their trade and investment liberalization.

#### **Thai Officials on APEC Agenda 'Blueprint'**

*BK1511070395 Bangkok THE NATION in English  
15 Nov 95 pp A1, A2*

[Report by Chirawat na Thalang and Yindi Loetcharoenchok]

[FBIS Transcribed Text] Osaka — Senior officials from the Asia Pacific Economic Cooperation [APEC] were still in deadlock yesterday after certain countries failed to agree with three crucial elements in the Apec blueprint to achieve trade and investment liberalization by 2020.

The three principles in the Action Agenda blueprint were identified as comprehensiveness, non-discrimination and comparability.

In an effort to break the deadlock, Apec officials yesterday split up into small working groups in an effort to come to an agreement.

Japan, the host of this year's meeting informed other Apec members that it would assert its authority as host by proposing the wording when it came to non-discrimination if China and the United States could not resolve their problems before the ministerial meeting on Sunday.



China has insisted that a non-discriminatory most-favoured-nation (MFN) practice must be applied to all Apec countries without exemption, but the US was bound by domestic law to review China's MFN annually as it is a communist country.

Senior officials were to hold a special meeting at 6.30 pm yesterday, in what was seen as a last effort to work out a clean text for an Action Agenda, which was then to be submitted to the economic ministers.

Japan's final proposal would be a "take-it-or-leave-it" statement, a Thai source said. If officials still refuse to accept it, then Japan would leave it for the economic ministers to decide, he said.

Nonetheless, Apec senior officials were optimistic that chances were good that officials would be able to finalize the blueprint.

Kopsak Chutikun, director-general of the Economic Affairs Department in the Foreign Ministry, said that: "As of today (yesterday), I would rate the chance of success at 70 per cent after the majority of Apec members have already agreed on most issues."

He said during a working breakfast between officials from Thailand and South Korea, Seoul showed more flexibility on the "comprehensive" principle in the agenda by agreeing to leave out certain words so to allow special treatment in sensitive sectors.

Kopsak said: "I would say that as many as 17-1/2 [as published] of the member countries shared a similar view over most of the issues."

The Action Agenda also required investment liberalization. The investment section comprises of two clauses: action in the region and the action which members must follow to comply with the agreement set by the World Trade Organization (WTO).

According to Atchaka Brimble, director of the international affairs division of the Board of Investment [BOI], the agenda would require members to provide equal treatment to all members to facilitate the investment flow in the Apec region.

Developed Apec members, such as the United States, want to ensure that foreign investors have equal rights with local citizens.

Thailand, however, stressed that the members should be able to be flexible when granting rights to foreign businesses.

She said that although the principle was non-binding in nature, Thailand wants to see the agreement written in loose terms.

"Don't forget that non-binding agreements do have a political commitment."

At any rate, the BoI has offered full concessions to foreign investors wanting to set up business in the BoI's Zone 3, to begin such liberalization.

**Taiwan, Philippine Representatives Meet in Osaka**  
*OW1511055495 Taipei CNA in English*  
*0157 GMT 15 Nov 95*

[By Maubo Chang]

[FBIS Transcribed Text] Osaka, Nov. 14 (CNA) — Economics Minister P.K. Chiang held talks with Filipino Commerce and Industry Minister R. Navarro on Tuesday [14 November] afternoon.

In addition to exchanging views on bilateral economic issues, Chiang called on the Philippines to speed up the signing of a bilateral accord with the Republic of China [ROC] under the framework of the World Trade Organization (WTO).

The Philippines and ROC have finished their bilateral negotiations regarding the ROC's accession to the WTO.

Chiang said after the meeting that the ROC enjoys friendly relations with the Philippines and has participated in the development of Subic Bay, which has been chosen as the site of the Asia Pacific Economic Cooperation leaders meeting next year.

Chiang said the Philippines wants the ROC to encourage its small and medium-sized businesses to invest in the Subic Bay industrial zone, where phase-one construction has already been completed.

He said [passage indistinct] Taiwan firms will have begun production by the time next year's APEC summit begin.

Chiang indicated that the ROC has presented a draft avoidance-of-double-taxation agreement to the Philippines for consideration. Chiang said the accord, if signed, would help entice Taiwan investors to Subic Bay.

As to ROC's entry into the WTO, Navarro was quoted as promising to convey the ROC's request to the Philippine Government.

The two sides are also interested in signing an accord to train young entrepreneurs, Chiang said, with the Philippines hoping to use Taiwan's experience in the area.

Besides Chiang, 10 other ROC officials also attended Tuesday's meeting, including Finance Minister Lin

Chen-kuo, Council of Agriculture Chairman Sun Minghsien and Vice Finance Minister Sheu Ke-sheng, while the Philippines had only three officials present at the conference other than Navarro.

Chiang is due to meet with Japanese Vice Premier Ryutaro Hashimoto on Wednesday morning to talk about issues related to APEC and the ROC's bid to join the WTO.

A meeting with Hong Kong commerce officials is also scheduled for Wednesday.

#### **Chile Supports APEC Advisory Council Proposal**

PY1411151095 Madrid EFE in Spanish  
1140 GMT 14 Nov 95

[FBIS Translated Text] Osaka, Japan, 14 Nov (EFE) — Chile will support the establishment of an Asia Pacific Economic Cooperation (APEC) Advisory Council to be comprised of private enterprises with the objective of granting APEC member countries' commercial sectors a more important role.

Emilio Ruiz Tagle, Chilean official representative at the debate of high-ranking APEC officials held in Osaka prior to the summit of heads of state and government, to be attended by the 18 member countries, expressed his country's "enthusiasm" about such a proposal.

He said: "This advisory council would provide advice on the basis of the experiences of those who promote business development" in a region that accounts for 50 percent of the gross product of the world and 42 percent of international trade.

Ambassador Ruiz Tagle said: "Our businessmen have a lot to contribute and to learn in the area of cooperation."

The establishment of the advisory council was proposed today within the framework of the "action plan" to be presented at the APEC ministerial conference to be held on 16 and 17 November, which is to be attended by Economy Minister Alvaro Garcia and Foreign Minister Jose Miguel Insulza.

During the discussions held for the drafting of the document, disagreements surfaced among several countries about certain "flexibility principles" that must be adopted to adjust the diversified economies of APEC members to the objectives and goals of the forum.

During the previous summit in Bogor (Indonesia) in 1994, it was decided to implement free trade by the year 2010 for developed countries and by the year 2020 for developing countries.

Among the areas for which APEC officials are proposing objectives and common actions are those involving

investment, customs, intellectual property, competitiveness, and the dispersion of businessmen and investors.

Also included in this is the services area, where there is a need to preestablish long-term programs in the telecommunications, transportation, energy and tourism sectors.

Chilean officials have stated that in so doing, Chile, which is the only Andean country that is an APEC member, will be able to fulfill a "third phase" of its export program.

Carlos Mladinic, Chilean Foreign Ministry International Economic Relations Department director, said: "Our ties with APEC can help us fulfill a "third stage" of Chilean exports by exporting a wide variety of services, in addition to the exports of resources and manufactured products."

He added that all Latin American countries should promote the development of infrastructure, particularly port facilities, airports, and roads, through undertakings sponsored by both the public and private sectors, in order to improve access to APEC countries.

Chilean President Eduardo Frei is scheduled to arrive in Osaka on 17 November in the company of a business delegation to attend the APEC summit. APEC is comprised of Australia, Brunei, Canada, the ROK, Chile, China, the United States, the Philippines, Hong Kong, Indonesia, Japan, Malaysia, Mexico, New Zealand, Papua New Guinea, Singapore, Taiwan, and Thailand.

#### **Officials Propose Dissolution of APEC EPG**

BK1411042795 Bangkok THE NATION in English  
14 Nov 95 p A2

[Report from Osaka by Yindi Loetcharoenchok, Chirawat Na Thalang]

[FBIS Transcribed Text] Osaka — Senior officials from the 18-member Asia-Pacific Economic Cooperation [APEC] have proposed the dissolution of the Eminent Persons Group [EPG], an independent advisory group entrusted to work out the APEC vision, a senior Thai official here said.

It is proposed instead to establish a APEC Business Advisory Council (ABAC) to coordinate with government officials on how to implement the APEC free and open trade policies to reflect the interests of business groups, said Kopsak Chutikun, director general of the Foreign Ministry's Economic Affairs Department.

The council would comprise no more than three representatives from the private sector for each of the member countries.



Officials who met during the weekend also proposed that non-APEC members could participate in the workings of the 10 APEC groupings, he said.

Speaking at a press conference yesterday, Kopsak said the three proposals would be forwarded to APEC economic ministers, who start two days of meetings tomorrow.

"It is up to the ministers and government leaders to make the final decision about accepting our proposals," he said.

He said the officials had come to an agreement that EPG had already achieved its goals — it has already completed and submitted three reports to APEC governments and helped establish the APEC vision.

"We [senior officials] think they [the EPG] have completed their task, so we will thank them for their work and contributions, as now APEC has come to the implementation phase," he said.

But Kopsak said the dissolution of the EPG at this stage "does not mean the closing of the door" as an "advisory mechanism" and it could be re-established in the future if APEC ministers or leaders see the need for such a body.

As for ABAC, the director general said the officials agreed that it would be established to reflect the need of small-and-medium sized enterprises within the APEC programme.

ABAC members would have to decide among themselves how often they would meet, who would head the body, whether they want to establish a secretariat and where its office would be, he said.

Kopsak also said officials agreed that the 10 APEC working groups could invite non-APEC members and other international organizations to participate.

During the meeting, officials did not agree on the criteria for membership to APEC and that the issue would be raised only at next year's meeting when the three-year moratorium on new members has ended, he said.

Kopsak said APEC leaders had assigned senior officials to outline criteria for new members and their proposals would be submitted next year.

This was because developing members wanted a "safety net" or an assurance that while the country followed the APEC liberalization commitment, their businesses would get something in return.

Yanyong Phuangrat, deputy director-general of the Business Economics Department, said at the same press conference that powerful APEC countries were keen on having strong wording for "the comparability" prin-

ciple which would indicate how each APEC member monitored the liberalization process of other countries.

### Senior APEC Officials Agree To Form ABAC

OW1411144595 Tokyo KYODO in English  
1402 GMT 14 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO — Senior officials of the Asia-Pacific Economic Cooperation (APEC) forum agreed Tuesday [14 November] to set up a new business advisory committee to better reflect private views on the 18-member body, APEC sources said.

The APEC Business Advisory Committee (ABAC), whose primary task will be to provide annual reports to APEC's informal summit meetings as well as its ministerial talks, is expected to start operation from early 1996, the sources said.

Each of the 18 APEC members will appoint three representatives from private business concerns to form the committee, which will be funded by individual economies rather than the APEC central fund.

ABAC will be required to provide advice on implementation of action guidelines to be adopted at APEC meetings in Osaka this week, the sources said.

The senior officials also agreed to scrap the nongovernmental Eminent Persons Group (EPG) that was set up by APEC in 1992 as a key advisory body to promote trade liberalization among member economies, the sources said.

However, the possibility of forming an advisory body similar to the EPG whenever necessary will be incorporated into a joint statement to be issued after the APEC ministerial talks Thursday and Friday, the source said.

Last year's APEC summit in Bogor, Indonesia, adopted an EPG suggestion to set up a trade-freeing deadline for the Asia-Pacific region — 2010 for industrialized economies and 2020 for developing economies.

Fred Bergsten, director of the Washington-based Institute for International Economics and Chairman of the EPG, presented a set of recommendations in August to Japanese Prime Minister Tomiichi Murayama, who will preside over the APEC summit in Osaka on Sunday.

### APEC Members Urged To End Antidumping Duties

OW1411140795 Tokyo KYODO in English  
1328 GMT 14 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO — Hong Kong's Secretary for Trade and Industry Chau Tak-hay on Tuesday [14 November] urged members

of the Asia-Pacific Economic Cooperation (APEC) forum to agree to remove antidumping duties and other practices hampering competition, Japanese Government officials said.

Hong Kong has been annoyed by a "not so fair" enforcement of antidumping duties by the United States and Europe, Chau said in a meeting here with Japanese International Trade and Industry Minister Ryutaro Hashimoto, the officials said.

The problem of antidumping duties is one of the issues pending at the APEC Osaka meeting. China and other less developed economies want wording rejecting such a practice in a blueprint for APEC action plans, while advanced economies like the U.S. are trying to stem the move.

Senior APEC officials are working hard to strike a compromise before the upcoming APEC ministerial meeting which both Hashimoto and Chau will attend.

World economies should be united in ensuring competition, Chau was quoted as saying.

On the "comparability" principle, another APEC issue, Chau said Hong Kong is against the idea of setting up a rigid rule for trade and investment liberalization, apparently referring to a U.S. call for a negotiation-styled approach, according to the officials.

"Everybody needs a practical approach," Chau was quoted as saying.

Chau then said Hong Kong wants Japan to play a role in devising "a creative solution," the officials said.

Chau said Hong Kong supports APEC's principle of "comprehensiveness" which applies trade-freeing steps to all industrial sectors without any exception, according to the officials.

Chau was quoted as saying the principle should be exercised without distortion.

Japan is seeking flexibility in the principle's actual use, taking into account sensitive sectors like agriculture.

Hashimoto said wrangling over the comprehensive principle was coming close to a solution, and indicated that accepting the principle would not be so difficult for members opposing it.

The Bogor declaration does not indicate the need for a specific trade-freeing commitment by the APEC members by 2010 or 2020, Hashimoto said, according to the officials.

On the most difficult issue of the principle of "nondiscrimination," a dispute between Washington and Bei-

jing, Hashimoto was quoted as saying they are still wide apart.

The problem will probably be taken care of by cabinet ministers during their meeting from Thursday, Hashimoto said.

Chau agreed with Hashimoto, saying the dispute is not a problem of wording but of policy, the officials said.

#### **Philippines Supports Flexibility in APEC Trade**

*OW1411140595 Tokyo KYODO in English  
1336 GMT 14 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO — The Philippines on Tuesday [14 November] stated support for the principle of flexibility in the Asia-Pacific Economic Cooperation (APEC) forum's guidelines for trade liberalization and facilitation, saying Manila will also face difficulties in the future if APEC's process toward liberalization becomes rigid.

Trade and Industry Secretary Rizalino Navarro told his Japanese counterpart Ryutaro Hashimoto during a bilateral meeting here that flexibility is important in the APEC action agenda to be hammered out during the Osaka round of meetings that started Monday, a Japanese Government official told reporters after the meeting.

Navarro was referring to the differences among APEC members on whether or not to be flexible based on the differing levels of economic development in APEC countries and "sensitive sectors" in their respective economies.

At the same time, Navarro urged Japan, the current APEC chair nation, to complete the fleshing out of the action agenda to make the Philippines' work as next year's chairman easier.

He also asked for Japan's assistance in the management of APEC meetings in the Philippines next year. Hashimoto replied that Japan would be ready to share personnel with the Philippines.

The two ministers also discussed the timetable for next year's APEC meetings, and the proposal to put a break between the ministerial meeting tentatively set for October and the leaders' summit set for the third or fourth week of November.

Hashimoto said the break would be favorable or inconvenient depending on the agenda and progress of the talks.

Philippine officials earlier said the break is being eyed to accommodate the schedule of all participants, including those from the United States, and to give time for the

Philippines to process more than 1,000 documents up for submission next year.

The U.S. presidential election is scheduled for next year, and the break could ensure the attendance of the U.S. President.

#### **Tokyo Unveils APEC Trade Liberalization Fund**

*OW1411130295 Tokyo KYODO in English  
1059 GMT 14 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 14 KYODO — Japan on Tuesday [14 November] formally unveiled a 10 billion yen fund to support trade and investment liberalization and facilitation projects of the Asia-Pacific Economic Cooperation (APEC) forum, APEC sources said.

The Japanese contribution under its "partners for progress" initiative is expected to be announced by Prime Minister Tomiichi Murayama to APEC leaders during their summit Sunday in Osaka, the sources said.

A confidential document distributed by Japan to senior officials at the second day of their meeting here said the money will go to the APEC central fund to finance cooperative projects including seminars, training in specialized areas like customs procedures, intellectual property rights, standards and conformance, competition policy and investment systems.

The fund could also be used to finance supplying analysis and measurement equipment.

Projects to be funded by the contribution will have to be developed by relevant APEC meetings and approved by the senior officials' meeting, according to the document obtained by KYODO NEWS SERVICE.

Discussions on the procedures to develop and implement projects eligible for assistance under the fund, as well as identification of initial projects, will be done during the first meeting of the APEC budget and administrative council and the senior officials meeting in Manila in 1996, the document said.

The United States earlier opposed Tokyo's "partner for progress" initiative because of fears Japan would dominate the Asian market by using the development fund.

U.S. officials, however, later accepted the initiative after Japan revised the proposal and limited the use of the fund to specific cooperative projects.

#### **Hashimoto on 'Inconsistent' U.S. Trade Policy**

*OW1511092595 Tokyo KYODO in English  
0916 GMT 15 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Japanese International Trade and Industry Minister Ryutaro Hashimoto criticized the United States on Wednesday [15 November] for what he views as its inconsistent policy in trade talks under the Asia-Pacific Economic Cooperation (APEC) forum.

The U.S. is seeking certain levels of "comparability" among APEC members while rejecting the principle of "nondiscrimination" within the APEC area, Hashimoto was quoted as saying in a one-hour meeting with U.S. Trade Representative Mickey Kantor, Japanese officials said.

Such a stance lacks equality, Hashimoto said, according to the officials.

Hashimoto was quoted as saying that APEC members should clarify their resolve to implement trade-freeing commitments shown in last year's APEC summit in Bogor, Indonesia.

The criticism of the U.S. came at a time when APEC's senior officials are making last-ditch efforts to reconcile conflicting views among members on key trade principles ahead of the third informal APEC summit Sunday.

Differences of opinion over these issues were not bridged in the past working-level sessions under the APEC Japan round that began in February this year.

The thorniest issue at the moment is whether or not the principle of nondiscrimination should be ensured under the forum's action agenda for achieving free trade and investment goals by 2020.

The issue is basically one of confrontation between Washington and Beijing over most-favored-nation (MFN) trading status.

Beijing says nondiscriminatory treatment should be ensured in the APEC region. But the U.S. cannot technically give that assurance to China because of a domestic provision introduced during the Cold War era that requires annual renewal of the right of communist countries to MFN status.

China is enthusiastic about establishing the rule within the APEC area as it has undergone a rigorous screening by the U.S. in annual MFN renewals.

The dispute over the comparability principle, or to what extent each APEC member should seek reciprocity in implementing certain trade liberalization steps, is also chiefly between the U.S. and China.



The U.S. is seeking a rigid rule for the principle while less developed members like China are against a negotiation-oriented approach in APEC.

Kantor was quoted as saying that Washington is in negotiations with China over the nondiscrimination issue on the basis of several U.S. proposals.

Kantor said the U.S. wants Japan, as the chair of this year's APEC round, to serve as a mediator for an early solution to the dispute, the officials said.

Hashimoto was quoted as saying he would convey the U.S. stances on the two pending issues when he meets with a Chinese cabinet minister later in the day.

On another controversial APEC issue — whether or not APEC trade rules or accords should be applied to all industrial sectors, including sensitive sectors like agriculture, Hashimoto expressed hope APEC members will reach consensus by adopting a recent compromise plan by Japan.

Japan's original wording for the "comprehensive" principle included elements that could produce misunderstanding, Hashimoto told Kantor, according to the officials.

Misunderstanding is being erased due to the new Japanese proposal, Hashimoto was quoted as saying.

Kantor said Washington will try to ensure that the issue is settled in a manner that will satisfy all APEC members, the officials said.

Japan and three other members — China, South Korea and Taiwan — say they basically support the comprehensive principle but also proposed the "diversity" principle to make the former more flexible.

Japan recently proposed softening the element of flexibility in the diversity principle in order to win APEC consent on the matter.

APEC senior officials will get together Wednesday evening and Japan will put forward revised proposals on the key pending issues.

If no breakthrough is made in that meeting, probably the last working-level get-together, these issues will be left to cabinet ministers' decision.

A spokesman for the Japanese International Trade and Industry Ministry tried to play down the alleged confrontation between Hashimoto and Kantor, saying the two talked amicably about key issues, including the principles of comparability and nondiscrimination.

"The meeting was held in a friendly and cooperative atmosphere and the two trade ministers were not hostile or critical," the spokesman said.

#### APEC Leaders 'Still Working' on Action Agenda

OW1511002195 Tokyo KYODO in English  
0008 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Senior officials from the Asia-Pacific Economic Cooperation (APEC) forum were still working Wednesday on the APEC "action agenda" in an attempt to resolve thorny trade issues before the start later in the day of a ministerial meeting.

The officials at the vice-ministerial level from APEC's 18 economies were unable to strike consensus on the pending issues during a scheduled two-day meeting until Tuesday.

Based on the ongoing discussion, being held only among concerned parties on each issue, Japan, as the host of this year's APEC session, will put forward a revised action agenda when senior officials get together again Wednesday evening.

"Problems which may still be pending at that time will be left to a political decision by cabinet ministers," a Japanese Government official said.

Resolution of APEC's thorniest problem — how to liberalize agricultural trade — is nearing as all members except South Korea have basically accepted a recent compromise proposal by Japan, according to the APEC sources.

But wide differences remain over the principles of "nondiscrimination" and "comparability," they said.

The action agenda is to serve as a blueprint for the Bogor Declaration issued at the APEC meeting in Indonesia last year.

The declaration aims at transforming the APEC region, which accounts for nearly 50 percent of global trade, into a free and open trade and investment zone by 2010 for industrialized economies and 2020 for developing economies.

Attempts by Japan and three other members — China, South Korea and Taiwan — to protect their domestic farm sectors have triggered a dispute with other APEC members, especially agricultural-product exporting economies like the United States and Australia.

At issue is whether or not all industrial sectors, including sensitive areas such as agriculture, should be covered by the principle of "comprehensiveness," one of nine general principles to be adopted in the action agenda.

Japan recently proposed softening its original request for infusing flexibility into the principle's enforcement in accordance with the "sectoral specificity" of each APEC

member by dropping the term "sectoral specificity" but retaining "flexibility."

The proposal was well received by most APEC members, according to the sources.

With the farm issue near solution, attention is shifting to a longstanding dispute between Washington and Beijing over the nondiscrimination principle, which is related to their feuding over the most-favored-nation (MFN) status.

Beijing maintains that nondiscriminatory or MFN treatment should be ensured within the APEC region.

But Washington cannot technically make that assurance to China because of a Cold War-era law that requires annual renewal of the right of communist countries to MFN status.

Views among APEC members also differ over the extent to which each APEC member should seek reciprocity in implementing certain trade liberalization steps, the sources said.

APEC economies like the U.S. are said to be seeking a rigid rule for the "comparability" principle while less-developed economies like China are reluctant about introducing a negotiation-oriented approach in APEC.

#### **Indonesia on Resolving APEC 'Problem Issues'**

*OW1511031695 Tokyo KYODO in English*  
0244 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Indonesian Coordinating Minister for Industries and Trade Hartarto said Wednesday [15 November] Indonesia is prepared to extend full support for resolving problem issues at the Asia-Pacific Economic Cooperation (APEC) forum, Japanese officials said.

Hartarto, here to attend APEC's annual ministerial meeting which begins Wednesday evening, made the pledge during a meeting with Japanese International Trade and Industry Minister Ryutaro Hashimoto, the officials said.

Ahead of the ministerial meeting, senior APEC officials are working hard to narrow differences in such problem areas as how to liberalize agricultural trade within APEC itself and how sweeping should APEC's commitment be to nondiscriminatory trade treatment.

These problems, if left unsettled in working-level talks, will be left to a political decision by APEC ministers and leaders.

Hartarto was quoted as saying Indonesia will not spare effort in working to resolve the pending issues at all levels — working, ministerial and leaders' levels.

Compromise plans being offered by Japan, chair of this year's APEC summit meeting, are acceptable to other APEC economies, Hartarto was quoted as saying.

#### **Taiwan Supports Tokyo Proposal on Agriculture**

*OW1511035195 Tokyo KYODO in English*  
0320 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Taiwan's ministers told Japanese Trade Minister Ryutaro Hashimoto Wednesday [15 November] that Taiwan fully supports Japan's proposal on liberalizing agricultural trade in the Asia-Pacific, a Japanese trade official said.

The Taiwanese ministers — Economic Affairs Minister Chiang Pin-kun, Finance Minister Lin Chen-kuo and Sun Ming-hsien, chairman of the Council of Agriculture, expressed that support during a meeting with Hashimoto at a hotel in Osaka.

The three ministers are in Osaka to attend the Asia-Pacific Economic Cooperation (APEC) forum, which is to open cabinet-level meetings later in the day.

Chiang was quoted as telling Hashimoto that before they left Taipei, they were told by their prime minister and president that Taiwan should fully support a proposal by Japan on agriculture since Japan is an agricultural country, the official said.

One major issue at the APEC meeting which Japan is hosting is whether APEC accords or rules should be applied comprehensively to all industrial sectors, even "sensitive" ones such as agriculture.

"Comprehensiveness" is one of the nine general principles to be adopted in the action agenda which gives a blueprint for trade liberalization in the region.

Singapore, the United States and Australia are strongly against Japan's requests that special treatment be given on agriculture when liberalizing trade in the region.

According to APEC sources, Tokyo has recently proposed softening its original request for infusing flexibility into the principle's enforcement in accordance with the "sectoral specificity" but retaining "flexibility."

The Japanese compromise proposal was well received by most APEC members, the sources said.

Also during the meeting, the Taiwan ministers urged Japan's support for Taiwan's efforts to join the World Trade Organization (WTO), the official said.

Hashimoto was quoted as saying he hopes for early progress on Taiwan's membership but noted problems remain, such as Taiwan's auto import restraints, which



violate international trade rules drawn up by the general agreement on tariffs and trade, which the WTO has replaced.

**New Zealand's Minister Burdon on APEC Rules**

OW1511055095 Tokyo KYODO in English  
0519 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — New Zealand's Minister for Trade Negotiations Philip Burdon on Wednesday [15 November] threw his support behind the Asia-Pacific Economic Cooperation (APEC) forum's principle of comprehensive rules on trade, allowing no sector to receive special treatment, Japanese officials said.

The principle's inclusion in APEC's action agenda for trade and investment liberalization should be appreciated, Burdon said in a meeting with Japanese International Trade and Industry Minister Ryutaro Hashimoto, according to the officials.

The principle, which may be endorsed along with eight other general principles by APEC's 18 leaders during their Osaka summit Sunday, calls for APEC trade accords or rules to cover all industrial sectors, including sensitive areas such as agriculture, without any exception.

Japan and three other members — China, South Korea and Taiwan — have been seeking flexibility in the principle's enforcement, although Hashimoto was quoted as saying Japan does not expect exceptional treatment under the principle.

Hashimoto reportedly said Japan is committing itself to ensuring comprehensiveness as a way to achieve the goals of liberalization of regional trade and investment envisioned in the Bogor Declaration from APEC's summit last year.

But he added that the Bogor Declaration does not seek any specific trade liberalization measures for certain industrial sectors by the agreed final deadline of 2020, the officials said.

Any such specific approach — as employed under Uruguay Round talks — would only undermine APEC's progress, Hashimoto was quoted as saying.

**Kono Vows To Draft 'Meaningful' APEC Agenda**

OW1511055895 Tokyo KYODO in English  
0526 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Foreign Minister Yohei Kono vowed Japan's determination Wednesday [15 November] to draft a meaningful "action agenda" at the Asia-Pacific Economic Cooper-

ation (APEC) forum gathering here to give a blueprint for liberalizing trade in the region.

Kono made the pledge in a speech at a meeting outlining Japan's position in the APEC forum, which begins informally later in the day with a dinner for cabinet ministers from the 18-member economies.

The foreign minister also said he is convinced Japan will be able to compile an action agenda that will be endorsed by APEC leaders at their summit Sunday.

Japan has no objection to comprehensively liberalizing trade in the region, but it thinks it important to approve "realistic and flexible treatment" for areas in which individual APEC members face difficulties in freeing trade, such as agriculture in Japan's case, he said.

The United States and Australia oppose Japan's call for such special treatment for some fields.

Kono said Japan will also take the initiative by presenting a substantial "initial action" — a voluntary trade liberalization plan each APEC leader is to submit Sunday.

Japan will include in its initial action measures such as speeding up the implementation of trade liberalization under the Uruguay Round agreement and promoting deregulation, he said.

Kono also expressed hope that Japan's idea for boosting cooperation among the APEC members, called "partners for progress," will be formally approved at the APEC meeting.

Following the speech, Kono spoke to reporters and touched on Japan's recent relations with South Korea, saying it is regrettable that there has been an "unfavorable atmosphere" between the two countries recently.

Kono said his planned talks with South Korean Foreign Minister Kong No-myong later in the day will be an "extremely important meeting."

"The relationship between Japan and South Korea is very important. Japan wants to make efforts to create a relationship under which both countries can cooperate toward the future based on correct understanding," Kono said.

He also said he shares the views expressed in Prime Minister Tomiichi Murayama's statement Aug. 15 on Japan's wartime role, adding it is necessary for both Tokyo and Seoul to correctly acknowledge history.

"Japan, following a mistaken national policy...And, through its colonial rule and aggression, caused tremendous damage and suffering to the people of many countries, particularly to those of Asian nations," the premier

said in the statement issued on the 50th anniversary of the end of World War II.

The bilateral ties soured over Murayama's remarks in October that the 1910 Japan-Korea Annexation Treaty was legally valid and again over remarks by the then head of the Management and Coordination Agency, Takami Eto, that Japan's 1910-1945 colonial rule of the Korean peninsula was partially beneficial for Korea.

Eto quit Monday after South Korea threatened to cancel the planned meeting Saturday in Osaka between President Kim Yong-sam and Murayama.

#### **Singapore Supports Japan on APEC 'Key' Issues**

*OW1511060695 Tokyo KYODO in English  
0531 GMT 15 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Singapore Trade and Industry Minister Yeo Cheow Tong said Wednesday [15 November] Singapore supports Japan's stance on key pending issues at the Asia-Pacific Economic Cooperation (APEC) forum, Japanese officials said.

No major differences exist between Japan and Singapore on key issues being discussed among the 18 APEC economies, Yeo said in a meeting with Japanese International Trade and Industry Minister Ryutaro Hashimoto, according to the officials.

Japan, as the host nation of this year's APEC round, is coordinating conflicting views such as principles of "comprehensiveness" and "nondiscrimination."

Yeo was quoted as saying APEC members need to make further adjustments on remaining problems.

#### **Japan 'Striving' To Resolve APEC Farm Issue**

*OW1511045895 Tokyo KYODO in English  
0446 GMT 15 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO — Japan is striving to resolve the dispute over farm trade liberalization to bring this year's talks of the Asia-Pacific Economic Cooperation (APEC) forum to a successful conclusion, a top government spokesman said Wednesday.

"As the host nation, we have to take the lead in resolving the row over the principle of comprehensiveness," Chief Cabinet Secretary Koken Nosaka told a news conference.

"We wish to settle the matter by including the idea of flexibility" in the blueprint for implementing free trade and open investment in the 18-member APEC region by 2020, Nosaka said.

A two-day meeting of APEC ministers begins Thursday in Osaka, with an informal summit of top leaders — a get-together of presidents and prime ministers in casual attire — following Sunday.

The biggest stumbling block to adoption of the so-called action agenda at the Osaka talks is whether to treat some sensitive sectors such as farm products as exceptions to all-inclusive trade liberalization.

As the chair country, Japan has proposed "flexibility" in pursuing "comprehensiveness."

#### **USTR Kantor Comments on MFN Status of PRC**

*OW1511125095 Tokyo KYODO in English  
1235 GMT 15 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — U.S. Trade Representative [USTR] Mickey Kantor said Wednesday [15 November] the United States and China need to work further to reach a compromise on a "nondiscrimination" principle during the Asia-Pacific Economic Cooperation (APEC) forum meetings.

Kantor told Japanese Foreign Minister Yohei Kono that he cannot see any prospects for resolving the issue before officials of both sides meet for further talks, a Japanese Foreign Ministry official said.

Kono and Kantor held discussions ahead of the APEC ministerial talks Thursday and Friday as part of a variety of bilateral meetings that have begun in Osaka.

The U.S.-China feud over the issue of nondiscrimination, which aims at giving most-favored-nation (MFN) status to all 18 APEC members, has cast a shadow over the APEC talks.

Beijing says nondiscrimination should be ensured within the APEC region, but Washington cannot technically make that commitment to China because of a Cold War-era law that requires annual renewal of the right of communist countries to MFN status.

Beijing is eager to establish a nondiscriminatory rule within the APEC region because it has to undergo a rigorous screening by the U.S. in annual MFN renewals.

On overall APEC talks, Kono and Kantor have agreed to take coordinated steps to bring the meetings to a success.

Kantor was quoted by the Japanese official as telling Kono that he expects the APEC talks to be productive.

## **Japan**

### **Power Line to U.S. Base Housing Area 'Attacked'**

*OW1511060495 Tokyo KYODO in English*  
*0551 GMT 15 Nov 95*

[FBIS Transcribed Text] Yokohama, Nov. 15 KYODO — A power line carrying electricity to an area of housing on a U.S. base in Sagami-hara, Kanagawa Prefecture, was attacked with explosives Wednesday [15 November] afternoon, police said.

They said four can-like objects were found at the top of an electricity pylon, and it appeared that one of them exploded on the line owned by Tokyo Electric Power Co.

The power line connects to an area where U.S. military forces personnel are housed, but no one was injured, police said.

Sagami-hara is about 35 kilometers southwest of Tokyo.

### **Murayama, Governor Ota To Meet on SOFA Again**

*OW1511042995 Tokyo KYODO in English*  
*0412 GMT 15 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO — Prime Minister Tomiichi Murayama will meet Okinawa Gov. Masahide Ota again around Nov. 25 to discuss issues related to the U.S. military presence in the southwestern Japanese prefecture, the top government spokesman said Wednesday [15 November].

Murayama will brief Ota on discussion of the Okinawa issue to be included in his summit with U.S. President Bill Clinton set for Monday, Chief Cabinet Secretary Koken Nosaka told a press meeting.

Murayama last met Ota on Nov. 4 at the premier's official residence in a failed attempt to persuade Ota to drop his decision not to sign documents needed to continue to force Okinawa landowners to lease land to the U.S. military.

At the meeting, Ota called for a reduction in U.S. bases and a review of the status of forces agreement, which allows the U.S. military to hold its servicemen suspected of crimes in Japan until they are indicted by Japanese prosecutors.

The agreement has been under fire from local residents since the rape in early September of a schoolgirl in Okinawa, for which three U.S. servicemen have been indicted.

The rape has fueled deep-seated resentment of the U.S. military presence, prompting Ota to refuse to sign the documents needed to maintain U.S. bases in the

prefecture, in which about 75 percent of U.S. military facilities in Japan are located.

Murayama could take legal action to force Ota to sign the documents, or sign them himself in the governor's place.

In a related development, a group of some 80 Okinawa residents, including almost all local prefectural assembly members, met Vice Foreign Minister Sadayuki Hayashi on Wednesday and appealed for the status of forces agreement to be reviewed.

Hayashi pledged to make efforts to lighten "the burden borne by Okinawa people" and noted that the government will study what can be done to improve the bilateral treaty in addition to a change already agreed upon by Japan and the United States requiring the U.S. to turn over American servicemen to Japanese authorities for questioning even before they are indicted.

The residents' group is led by Chiken Kakazu, chairman of the Okinawa prefectural assembly. On Oct. 21, the group organized a massive rally of some 85,000 people against the rape and the presence of U.S. bases in Okinawa.

### **Murayama Pledges Efforts To Ease Base Burden**

*OW1511111495 Tokyo KYODO in English*  
*1106 GMT 15 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO — Prime Minister Tomiichi Murayama pledged Wednesday [15 November] to strive to ease the onerous security burden of Okinawa, where 75 percent of U.S. military facilities in Japan are concentrated.

Murayama told a mission of Okinawa Assembly members and other local people that efforts will be made at a planned new bilateral negotiation forum to solve the issue.

"I will ask the United States to help remove obstacles to making life in Okinawa peaceful again," he said.

Meanwhile, Liberal Democratic Party Secretary General Koichi Kato acknowledged Okinawa's excessive security burden.

Kato told the mission members that the fact that a report on plans for relocation of some U.S. bases in Okinawa to other prefectures draw strong negative reactions from residents in the named prefectures shows how "excessive" the burden is for Okinawan people.

Separately, Social Democratic Party Secretary General Wataru Kubo pledged efforts to review a bilateral agreement on the legal status of U.S. military personnel in Japan, which has become a symbol of Okinawa



residents' dislike of the huge presence of U.S. forces on their island after the September rape of a Japanese schoolgirl, allegedly by three U.S. servicemen.

The Okinawa mission urged the political parties to discuss the base issue from a long-term point of view in their separate meetings with senior party officials.

#### **Poll Indicates Majority Seek U.S. Base Cuts**

*OW1511141195 Naha OKINAWA TIMES in Japanese 11 Nov 95 Morning Edition p 1*

[FBIS Translated Text] Amid growing attention to the U.S. military base issues facing Okinawa and the fate of the Japan-U.S. security arrangement, THE OKINAWA TIMES conducted a survey late in October in conjunction with ASAHI SHIMBUN and the U.S. polling service Louis Harris and Associates Inc. to assess how Japanese on the mainland, Americans, and Okinawans view these issues. Asked about military bases on Okinawa, where 75 percent of the U.S. military facilities are concentrated, 92 percent of Okinawans and 90 percent of Japanese nationwide call for "phased cut back" and the "complete removal" of the U.S. military facilities, according to the joint survey. The poll also found that 57 percent of the American respondents and 42 percent of Japanese nationwide think "the Security Treaty is beneficial for Japan (and the United States)."

However, in Okinawa, 38 percent of those responding said they "do not" think the security arrangement is beneficial, exceeding the 23 percent who support the security pact. This indicates that many Okinawans are critical of the treaty because Okinawa is forced to have military bases. Asked whether the treaty should be maintained or not, 41 percent of Okinawans said it should be maintained while 38 percent opposed. Meanwhile 64 percent Japanese nationwide and 76 percent of Americans said they support the maintenance of the treaty, indicating that the most of the pollees are critical of the current condition but want to maintain cooperative relationship between Japan and the United States.

Regarding Okinawa Governor Ota's firm stand of refusing to sign documents that would force landowners to extend the leases of their land to the U.S. military, 89 percent in Okinawa and 78 percent nationwide placed high value on Ota's position. Asked about the way the government has dealt with the United States after the rape in Okinawa, over 60 percent of Japanese nationwide and Okinawans said they "do not place the high value" on action the government has taken. The poll also showed that over 90 percent of Japanese surveyed nationwide and Okinawans call for a review of the Status of Forces Agreement (SOFA).

The joint surveys were conducted in Okinawa and nationwide on 29-30 November in the form of interview; a telephone survey was conducted on 26-29 November in the United States.

Asked about the military bases on Okinawa, the joint surveys showed 72 percent in Okinawa and 76 percent nationwide call for a "phased reduction" in the military facilities while 20 percent in Okinawa and 14 percent nationwide want their "immediate and complete removal." In the poll taken in 1981, those who called for the reduction numbered 47 percent while 30 percent called for the removal of the bases. In this way, the recent survey showed the respondents have more realistic views. As the nationwide call for the reduction in the military facilities increases, the ratio of those who said the bases can "remain as they are" sharply dropped to 6 percent from previous 22 percent.

On the other hand, the survey in the United States showed that 49 percent said the bases should be cut gradually and 7 percent said they should be removed completely while 41 percent of the pollees want the bases to "remain as they are now." Thus, those who support the reduction and removal of the facilities exceeded those who said they should remain as they are.

Asked whether military bases on Okinawa should be relocated to somewhere in the Japanese mainland, 61 percent of Okinawans and 28 percent of the pollees nationwide said they want bases relocated while 58 percent of the pollees nationwide said they do not want.

Although those who support "continuous maintenance of the Japan-U.S. Security Treaty" exceeded those who do not, they do not place much value on the pact itself.

In a survey in 1992 marking 20th anniversary of the reversion of Okinawa, 41 percent of Okinawans and 52 percent of nationwide said the "security arrangement is beneficial for Japan" while 25 percent of Okinawans and 21 percent of pollees nationwide said "it is not." But in the recent survey, the ratio of Okinawans polled in Okinawa and those polled nationwide who said "it is beneficial" dropped by 18 points and 10 points respectively. Meanwhile those who said "it is not beneficial" increased by 13 points and 7 points respectively.

On the other hand, the pact is highly evaluated in the United States. Those who said "it is beneficial for the United States" increased from 44 percent in 1992 to 57 percent in the recent survey.

Defense Secretary Perry, who visited late October, said it is necessary to maintain the U.S. military for stability in the Asia-Pacific region. As for the military

presence in the region, 63 percent of Americans said it is "necessary" while 61 percent of Okinawans and 48 percent of Japanese polled nationwide said "it is not necessary."

Asked how they views Okinawa Governor Ota's refusal to sign documents forcing landowners to renew contract on land lease for use of the U.S. military, 64 percent of Okinawans said they "highly rate" his position while 25 percent said they place value "in part" on Ota's stand. Therefore, nearly 90 percent of Okinawans support Ota's position. Many of those who polled nationwide also place high value on Ota's policy.

Asked about a review of SOFA, nearly 80 percent of those polled in Okinawa and nationwide said that "the provisions should change," and they are negative about the Japan-U.S. accord on "improving operational procedures" of SOFA.

As for the way the Japanese Government has dealt with the United States after the rape in Okinawa, over 60 percent of both Okinawans and those polled nationwide said they "do not" place any value while 30 percent said they "positively rate" action the government has taken. The poll also found that 67 percent of Okinawans and 56 percent of those polled nationwide said that progress has not been made in the realignment and cuts in military bases on Okinawa because "the government's efforts is not enough." Thus, the majority of the Japanese pollees are critical about action of the government.

#### **New Envoy to U.S. Views Security Ties, SOFA**

OW1511133795 Tokyo SANKEI SHIMBUN  
in Japanese 11 Nov 95 Morning Edition p 2

[FBIS Translated Text] Kunihiro Saito, newly appointed envoy to the United States, held a news conference on 10 November at the Foreign Ministry to mark his appointment. Commenting on the Japan- U.S. security arrangements, Saito indicated a negative attitude on the hasty reduction of U.S. military bases. He said: "We cannot take risks on the security of Japan." With regard to relocating the bases in Okinawa, he stated: "This will not be easy, but we will work on it," showing a positive stance.

[Unidentified correspondent] There is tension over the Japan-U.S. security treaty.

[Saito] The base issue came into the limelight as a result of the tragic incident in Okinawa. However, the Japan-U.S. security alliance is indispensable not only for Japan's security and prosperity, but also for peace in Asia as a whole.

[Correspondent] What do you think of the base issue in Okinawa?

[Saito] Both Japan and the United States have to exert efforts to reduce the damage and losses brought by the bases on the local residents to the minimum. Consideration should be given both to this and the maintenance of the bilateral security setup.

[Correspondent] Okinawa is asking for the revision of the Japan- U.S. Status of Forces Agreement [SOFA].

[Saito] If we are to revise the SOFA, each and every provision in the agreement will have to be reexamined. Now, we would like to solve the problem via a drastic improvement in the implementation of SOFA. However, I do not think there should ever be a revision of the SOFA.

[Correspondent] Is it possible to relocate some bases from Okinawa?

[Saito] I know it will not be easy to look for relocation sites. However, this is not a problem that we can just give up on. We will exert efforts to facilitate relocation. It is a matter of course that the government should think of distributing the burden equally as much as possible.

[Correspondent] Some people assert that the security treaty is now unnecessary.

[Saito] We cannot take any risk in maintaining Japan's security. We have to take the best option available.

[Correspondent] Secretary Perry said that the United States will maintain its 47,000 troops in Japan.

[Saito] The United States regards this as adequate to fulfill its obligations under the security treaty. I suppose the current size of the troops is the minimum requirement.

[Correspondent] What do you think of bilateral economic relations?

[Saito] Since our relationship is this close, there are bound to be some problems in specific areas. What we need to do is to avoid making them political issues, and resolve them at the bureaucratic level at an early stage. We also need to reduce our trade surplus against the United States.

#### **Clinton Visit, Security Alliance Policy Assessed**

OW1511093295 Tokyo SANKEI SHIMBUN  
in Japanese 11 Nov 95 Morning Edition p 3

[Article by Yoshihisa Komori in Washington, part three of three-part series "Shaky Japan-U.S. Alliance: The 20 November Summit": "Washington Annoyed"]

[FBIS Translated Text] "Despite the tragedy that took place, it is rather fortunate for President Clinton that because of this incident in Okinawa, the immediate



problems relating to the Japan-U.S. security arrangements will have to be discussed to the maximum extent. With this, he will be able to reduce to some degree the hypocrisy of talking about strengthening long-term friendship between Japan and the United States with a prime minister from the Social Democratic Party of Japan [SDPJ]."

A former U.S. government official, who was at the center of policy decisionmaking for Japan during the Bush administration, smiled meaningfully when giving the above comments on the U.S. President's visit to Japan. This was a strong allusion to the absurdity and hypocrisy of discussing, and pledging to build a long-term alliance with the representative of the SDPJ, which devoted more than 40 years of its political energy to destroying the Japan-U.S. alliance, even though the SDPJ has reversed its position.

The basic position of the U.S. Government that the Japan-U.S. relationship is indeed important, and that the restructuring of the security alliance, that has become shaky recently, is particularly meaningful, remains unchanged.

As Assistant Secretary of State Winston Lord emphasized at a news conference on 9 November, "The President's visit to Japan will reaffirm the importance of the bilateral alliance for the stability and prosperity of Asia, and of the world." The maintenance of the security alliance is deemed to be in the real interest of both countries.

However, the fact that during this visit, the President will be talking about the great importance of the alliance to a leader who has not undergone a general election and thus, does not have the people's mandate, and whose cabinet is a coalition which oscillates violently over basic policies, dampens the pleasure. On top of this, since his direct dialogue partner will be the representative of an SDPJ which clamored for "Yankee go home!" for years, it is understandable that the President is not that enthusiastic about this diplomatic chore of paying an official visit to Japan.

Among the Japan watchers both inside and outside the administration in Washington, policy analysis done on all past Japanese administrations has come to a complete stop since the inauguration of the Murayama administration, and the most frequently asked question is: "When will the general election be held?" This is a question reflecting their wish that the present government will step down soon.

Impatience is increasingly evident in the U.S. attitude one year and four months after the birth of the Murayama administration. This is evidenced by President

Clinton's consistently limiting his meetings with Prime Minister Murayama to the minimum required formality.

Recently, even the Liberal Democratic Party, which is a coalition partner in the Murayama administration, has not been talking to people about the minimum requirements of the security alliance. In the Daiwa Bank affair, the Ministry of Finance attempted to cover up a serious crime through behind-the-scenes manipulations in total disregard of international rules. The United States is taking a more and more frigid attitude toward the Japanese leadership under the Murayama administration.

Since October, there have even been persistent rumors that President Clinton's visit to Japan may be called off as a result of his clash with the Republican Party over the budget. On 9 November, when it became evident that this clash could possibly result in a crisis causing government services to come to a halt, such a rumor gained even more adherents.

The fact that such a rumor revives so easily despite the assurance given by Japan policy makers in the administration that the visit will take place, shows that even if the President cancels his visit to Japan it will not have any negative political impact domestically.

"I think we will have a hard time playing up the President's visit along the lines of promoting friendship and cooperation between the two countries. With the chilly relations between the leaders of both countries, plus the fact that [the summit] will come immediately after the spectacular Asia-Pacific Economic Cooperation (APEC) forum, it will be very difficult to create the impression of fervent support for the maintenance of the Japan-U.S. alliance both inside and outside the United States."

Such was the comment of a State Department official involved in preparations for the President's visit to Japan. It can well be said that despite his disappointment with the Murayama administration, he is taking on this difficult task in the name of the basic U.S. policy that the maintenance of a close long-term relationship with Japan is indispensable for the wide-ranging interests — security, political and economic — of the United States.

**Joint Deal on Worldwide Issues With U.S. Viewed**  
*OW1511090595 Tokyo NIHON KEIZAI SHIMBUN*  
*in Japanese 14 Nov 95 Morning Edition p 5*

[FBIS Translated Text] The governments of Japan and the United States have agreed to strengthen their framework of cooperation to jointly deal with the worldwide food shortage, aid to regions recovering from conflicts, and other issues. Both governments will designate the need to overcome threats to the survival

of mankind and to the civic society as a matter bearing on the "security of mankind," and will take concrete measures to assist the developing countries.

This will be confirmed at the meeting between Prime Minister Tomiichi Murayama and President Bill Clinton on 20 November, and will be included in their joint statement. The purpose of this is to emphasize a strong global partnership, and to eliminate mutual distrust amid a strained bilateral relationship resulting from the Daiwa Bank affair and other problems.

This agreement will be part of bilateral cooperation in the economic aspect. The two countries will advocate a "human security scheme," because they deem that preventing a food crisis and resolving other problems will be essential for the security of mankind. They will review the existing "common agenda" of the Japan-U.S. economic framework talks, and include five new areas of cooperation: human health, social stability, global environment, science and technology, and mutual exchanges. Under these headings, six new topics, including "global food supply," "anti terrorism measures," and "aid to post-conflict countries," making the total number of subjects covered 26.

As steps to tackle the increasingly serious food problem, the joint statement proposes building irrigation facilities, soil improvement, and building facilities for food storage and transport.

In terms of aid for post-conflict nations, the main pillars are aid to refugees, election monitoring and institution of a legal system. In anti terrorism and crime prevention measures, Japan and the United States will call on other countries to help create a framework for exchange of information, and for monitoring biological weapons.

This plan for Japan-U.S. cooperation will also call on the advanced nations, nongovernmental organizations (NGO's), the OECD, and other international organizations to collaborate in developing a common prescription, and both countries will play an active role in this effort.

Under the bilateral economic framework talks, the two countries have worked together on cooperation projects in 20 areas, including the environment, population, and AIDS. However, due to the framework talks' focusing on the automobile negotiations and on the settlement of other economic frictions, the two countries have lacked a global strategy for cooperation projects, and have not been fully able to call upon other countries for collaboration.

#### **U.S. Wants Resale for Copyrights Abolished**

*OW1211093495 Tokyo YOMIURI SHIMBUN  
in Japanese 8 Nov 95 Morning Edition p 2*

[FBIS Translated Text] On 7 November, a government source disclosed the fact that the U.S. Trade Representative (USTR) had asked the Japanese Government to abolish, by the end of 1998, the resale price maintenance system, which is approved as an exception to the Anti-monopoly Act. In this regard, a source concerned with the Fair Trade Commission explained this view: "The U.S. proposal is designed to steadily abolish designated resale [shitei saihan], which is approved for some products, including cosmetics and medicines. It is not meant to apply to resale [price maintenance] of publications such as newspapers and books." Moreover, the same source also said: "Japan has just started looking into this issue, it is unthinkable that the United States would expect a conclusion to its request."

On this issue, a U.S. diplomatic source in Tokyo said: "Washington knows that resale [price maintenance] of copyrights is becoming a delicate issue in Japan. Washington will not confuse the situation by calling for its abolishment. The United States will not benefit even if resale [price maintenance] for copyrights is abolished."

#### **New Zealand Praises Tokyo's Nuclear Test Stance**

*OW1511024695 Tokyo KYODO in English  
0214 GMT 15 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — New Zealand's Foreign Minister Donald McKinnon gave high marks Wednesday [15 November] to Japan's stance against French and Chinese nuclear testing, a Japanese Foreign Ministry official said.

During a meeting with Foreign Minister Yohei Kono at a hotel in Osaka, McKinnon praised Japan for taking the lead among the Asia-Pacific nations in protesting the nuclear tests, the official said.

The New Zealand foreign minister was quoted as saying Japan's firm stance drew some positive results from France, such as its pledge to sign the comprehensive test ban treaty and its support for banning all forms of nuclear tests under the treaty.

France has also announced it will sign a treaty banning nuclear weapons and their testing in the South Pacific and has also pledged to shut down the Mururoa atoll test site as soon as it completes the ongoing series of nuclear test, McKinnon was quoted as saying.

Kono told McKinnon that Japan will continue to try to obtain further support for a UN resolution urging an immediate end to nuclear tests, the official said.

Turning to the Asia-Pacific Economic Cooperation forum, which opens later in the day in Osaka, Kono vowed that Japan as the host country will strive for the success of the meeting.

### MOFA Stand on Nuclear Weapons Assessed

OW1511124595 Tokyo *NIHON KEIZAI SHIMBUN*  
in Japanese 10 Nov 95 Morning Edition p 2

[Editorial: "MOFA Betrays People's Common Sense Over 'Nuclear' Issue"]

[FBIS Translated Text] Mayors from both Hiroshima and Nagasaki testified at the International Court of Justice, where a hearing is being held on the question of whether it is right or wrong in terms of international law to use nuclear weapons. They said: "It runs counter to international law." In this regard, Chief Cabinet Secretary Koken Nosaka, at a news conference held on 8 November, supported the mayors' testimony and explained his understanding that use of nuclear weapons is against international law. This is a reasonable view based on the common sense among the people.

Hiroshima Mayor Takashi Hiraoka and other people who testified at the hearing reportedly explained in details the actual sufferings created by the atomic bombings, saying: "It is clear that the use of nuclear weapons, which indiscriminately killed many ordinary citizens and continues to make people suffer pain from radiation sickness, is against international law."

To Japan — which has an obligation as the only nation that sustained nuclear attacks to candidly and daringly tell the world the unimaginable calamity conducted by the nuclear weapons — the court hearing might have been an opportunity it could wish for nothing better. Nevertheless, the Ministry of Foreign Affairs [MOFA] had pressured the mayors not to make controversial remarks.

At the hearing, a senior MOFA official said that use of nuclear weapons is "contrary to the spirit of humanity that gives international law its philosophical foundation." He failed to refer to its illegality itself. He went on to comment on testimonies both mayors were scheduled to make later, saying: "I would like to add that they do not necessarily represent the government's view." This remark by the MOFA official is tantamount to throwing a cold blanket over the government's call for the abolishment of nuclear weapons. It also makes us suspect that if the government is serious about opposing nuclear tests.

Regarding the recent remarks by the mayors of Hiroshima and Nagasaki, MOFA told them beforehand to say this or that at the hearing. We have to say this is

nothing but an act of arrogance against the mayors, who were elected by the people. Bureaucrats are supposed to devote themselves to public service. It is a presumption of MOFA officials to think that they were diplomatic professional if that is what they think of themselves. Do they think that they can promote diplomatic affairs without understanding people's common sense or having their support?

This is not the first time MOFA assumed such an attitude about the nuclear issue. Last summer, it submitted a report to the Judicial Court, explaining a similar view. Since the submission of the report created a stir at the cabinet and the Diet, MOFA deleted a portion of the report, saying: "We cannot go so far as saying that the use of nuclear weapons is against international law."

MOFA is assuming such a stand because, first, there is no positive international law that bans the use of nuclear weapons. Second, Japan is relying, for its security, on the nuclear umbrella of the United States. After an atomic bomb was dropped on Hiroshima, however, the Japanese Government at that time complained to the United States, saying mass killing of noncombatants is against international law. As this protest clearly shows, the Hague Treaty bans indiscriminate bombing. Moreover, the only reason why international treaties ban the production of chemical and germ weapons is because they are capable of indiscriminately killing many people. In this sense, the use of nuclear weapon clearly violates international law.

Since nuclear weapons have a deterrent force, MOFA is assuming a lukewarm attitude toward the nuclear issue. However, admitting that the use of nuclear weapons runs counter to international law and noting the actual existence of nuclear weapons do not contradict each other. As a matter of fact, Japan, although its national policy is not to own nuclear weapons, is under the nuclear umbrella of the United States. The important thing is that we should claim, whenever we have a chance to do so, that the use of nuclear weapon is neither against the spirit of humanity nor runs counter to the spirit of positive international law. For this purpose, MOFA should continue to exert diplomatic effort.

### Prime Minister Interviewed on APEC Role

BK1511075195 Bangkok *THE NATION* in English  
15 Nov 95 p A5

["Written responses" from Japanese Prime Minister Tomiichi Murayama to questions "from *THE NATION*" "recently"; place not given]

[FBIS Transcribed Text] [THE NATION] What does Japan expect to achieve from the Apec [Asia-Pacific



Economic Cooperation] Osaka meeting this year? And what are the initiatives Japan will take at the upcoming summit?

[Murayama] This year, in conjunction with the 50th anniversary of the end of World War II, Japan is hosting the Apec Economic Leaders' Meeting and Ministerial Meeting in Osaka. The Pacific Ocean, once a sea of battle, with fierce conflicts, is now becoming a sea of bounty, achieving more rapid growth than any other region in the world.

In recent years, against the background of dramatic economic development in East Asia and the deepening interdependence within this broad region, which includes Japan and the United States, the Asia-Pacific has been acquiring a new identity as a coherent economic sphere.

Apec, born of the ideal of promoting the development of the Asia-Pacific region and thereby of the world economy, is increasing its importance, reflecting the rising economic stature of this region in the world economy. I believe that Japan should serve as a force supporting the prosperity of the Asia-Pacific region. From this perspective, I view the success of the Osaka Apec meetings as being extremely important, indeed holding the key to the development of open regional cooperation within the Asia-Pacific region. As the Chair, Japan will formulate the Action Agenda, aimed at promoting trade and investment liberalization and facilitation of economic and technical cooperation.

In order to indicate its firm commitment to implementing the Action Agenda, Japan will take the initiative in promoting the success of the Osaka Apec meetings by, inter alia, indicating forward-looking initial plans of actions.

[THE NATION] To what extent will the Osaka meeting realize the Bogor Declaration? What will Japan do to adopt a broad trade and investment liberalization framework which Apec leaders have agreed to follow under the two-tier time frame?

[Murayama] The Bogor Declaration will be translated into a more operative form [as published] by the Action Agenda to be adopted in Osaka. The Bogor Declaration established long-term goals of liberalization and facilitation of trade and investment and economic and technical cooperation. As the Chair of this year's Apec Meetings, Japan's major task is to formulate the Osaka Action Agenda thereby giving substance to the political will of the leaders as expressed at Bogor and building a bridge connecting the leaders' vision to reality.

The Action Agenda is characterized by promoting progress in the liberalization and facilitation of trade

and investment through concerted unilateral actions and collective actions volunteered by each member economy and not through Gatt/WTO-type negotiations. Japan's aim at the Osaka Apec Meetings is to formulate an Action Agenda that fully reflects this spirit and thereby to demonstrate to the world that Apec is based on a unique Asia-Pacific formula.

Furthermore, with a view to lending credibility to actions taken within Apec, as an indication, both at home and abroad, of the firm commitment of the leaders to continue in their approach to liberalization and facilitation of trade and investment within Apec, each leader will be bringing his own Initial Actions to the Osaka Apec Economic Leaders' Meeting on a voluntary basis.

[THE NATION] Is the Apec trade liberalization agreement or the Bogor Declaration useful or does it reflect the interest of Japan, which has an extensive network in the Asia-Pacific?

[Murayama] I firmly believe that the prosperity of Japan is inherently linked to the prosperity of the Asia-Pacific region as a whole. Declaring the goals of the liberalization and facilitation of trade and investment and promotion of economic and technical cooperation, the Bogor Declaration seeks to build a more efficient economic regime throughout the Asia-Pacific region by further enhancing economic interdependence within the region and thereby expand trade, create employment and assure higher living standards for the people of this region.

The Japanese economy is already deeply and inseparably linked to that of the Asia-Pacific region. For that reason as well, the stability and prosperity of this region is an essential factor in the development of the Japanese economy. Hence, I intend to take an even more positive approach to the further development of Apec in that, as I have outlined herein, I see that as being directly linked to the interests of Japan.

[THE NATION] Most Asian countries are of the view that Japan has failed to demonstrate its leadership in this part of the world and prefers to play second fiddle to the US in most of the major international issues. How does Japan plan to act and lead the way?

[Murayama] The Asia-Pacific region has been steadily deepening interdependent relations amongst members of the region through the increasing flow of intra-regional trade and investment, alongside the region's political stability and the economic development of the countries in the region. Japan firmly maintains its basic stance in the region and also views with importance its relations with neighbouring Asian countries. Japan intends to



continue to cooperate further towards the creation of new regional frameworks in the Asia-Pacific region.

In the economic sphere, Japan has long since worked positively to assist the nation-building efforts of countries in Asia through its Official Development Assistance (ODA) and the promotion of private-sector investment and trade, and has thereby contributed to economic development in those countries. Furthermore, at past G-7 Summits, OECD Meetings and other international fora Japan has played an important role in deepening mutual understanding between Western industrialized countries and Asian countries by communicating the voice of Asia to the US and other advanced industrialized countries.

As Chair of the Apec Meeting this year Japan is displaying leadership in promoting open regional cooperation in this region, which lies at the centre of world growth. In the course of trade and investment liberalization, which has become a focus of attention, Japan intends to show the world a unique and effective "Asian-Pacific way" which is not bound by the rigidity of the "Western approach."

Furthermore, I consider liberalization and facilitation of trade and investment and economic and technical cooperation to be two essential axles of the Apec cart, and in this respect, Japan has done its utmost to step up cooperation in that respect.

In the political and security spheres, cognizant of the fact that the presence of the US is increasingly important for the security of the region, even in the post-Cold War, era, Japan will work through such frameworks as the Asean Regional Forum launched last year and other fora to promote security cooperation and dialogue throughout the whole region.

[THE NATION] Is it acceptable to Japan for Apec to embark in trade liberalization in a more sweeping fashion that what has been agreed in the General Agreement on Tariffs and Trade as recommended by the third report of the Eminent Persons Group? If so, will the most favoured nation status be incorporated in Apec when it comes to trade liberalization? What is your idea towards regional free trade?

[Murayama] The economic prosperity that Japan enjoyed in the 50 years since the end of World War II was only possible through the maintenance of a multilateral free trading regime based on Gatt under a market economy system.

Japan believes that Apec is necessary in that it contributes to economic development of the Asia-Pacific region, and thereby of the entire world, by complementing and enhancing the multilateral free trading regime under the World Trade Organization. From this perspec-

tive, Apec must be based on a spirit of open regionalism and must not be allowed to slip into exclusionary regionalism. Furthermore, Japan believes that it is important that the benefit of liberalization of trade within the Apec region be extended to non-Apec countries on a Most Favoured Nation (MFN) basis.

#### **Firm Stance Against Free Farm Trade Urged**

*OW1511130995 Tokyo KYODO in English  
1053 GMT 15 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO — The ruling coalition parties on Wednesday [15 November] urged Prime Minister Tomiichi Murayama to stand firm in seeking to exempt Japan's agriculture from the Asia-Pacific Economic Cooperation (APEC) forum's commitment to sweeping trade liberalization.

Representatives of the three parties visited the premier at his official residence to hand over a joint appeal calling for the agricultural sector to be treated as an exception to APEC's goal of achieving free trade and investment in the 18-member region by 2020.

The move came just prior to this year's APEC ministerial and summit talks in Osaka. The main focus of the upcoming meetings is how to narrow differences among APEC members on agricultural trade.

Japan, along with China, South Korea and Taiwan, is opposed to across-the-board trade liberalization.

The coalition appeal calls for farm liberalization to be addressed under the World Trade Organization (WTO), a new global trade watchdog that succeeded the General Agreement on Tariffs and Trade (GATT) in January.

The statement also said Japan will steadily implement steps to free farm trade as promised under the Uruguay Round of multilateral trade talks held under GATT.

"It is a serious problem if APEC calls for a commitment to a free trade target of 2010 outside the WTO framework," the appeal said.

Last year's APEC summit, hosted by Indonesian President Suharto in Bogor, set the trade-freeing deadline in the region — 2010 for industrialized economies and 2020 for developing economies.

The coalition comprises Murayama's Social Democratic Party, International Trade and Industry Minister Ryutaro Hashimoto's Liberal Democratic Party and Finance Minister Masayoshi Takemura's New Party Sakigake [Harbinger].

**Kono on East Timorese Asylum Request Case**

*OW1511050395 Tokyo KYODO in English*  
*0454 GMT 15 Nov 95*

[FBIS Transcribed Text] Osaka, Nov. 15 KYODO — Foreign Minister Yohei Kono told Indonesian Foreign Minister Ali Alatas on Wednesday [15 November] that Japan hopes to soon resolve the issue of 21 East Timorese who entered the Japanese Embassy in Jakarta on Tuesday seeking political asylum.

Kono told Alatas that the Japanese Government is now trying to find an amicable solution to the issue through cooperation with the Indonesian Government.

The two ministers met in Osaka, western Japan, ahead of ministerial talks Thursday and Friday at the meeting of the Asia-Pacific Economic Cooperation (APEC) forum.

The East Timorese youths entered the embassy compound Tuesday morning by climbing over a fence. It was the second such case since June 1989, when two East Timorese students sought political asylum at the embassy. But Japan refused at that time to grant it.

Japanese officials quoted Kono as saying Japan expects the East Timorese issue will be resolved peacefully at an early date.

Indonesia invaded East Timor in 1975 and annexed it the following year, calling it its 27th province. The annexation, however, is not recognized by the United Nations, and Indonesia has been criticized for alleged abuses of human rights in the territory.

**OECD: Tokyo's Foreign Aid Policy Improving**

*OW1511031595 Tokyo KYODO in English*  
*0219 GMT 15 Nov 95*

[FBIS Transcribed Text] Paris, Nov. 14 KYODO — The OECD said Tuesday Japan's policy on providing financial assistance to developing countries has been changing favorably by shifting its emphasis from projects for infrastructure to those for social development such as education.

The Paris-based Organization for Economic Cooperation and Development added Japan should, however, increase assistance to nongovernmental organizations (NGOs).

The assessment was made in a recent report by the OECD based on its review of Japan's foreign aid programs such as official development assistance and research in recipient countries for aid, such as the Philippines.

Each year, the OECD reviews the foreign aid programs of seven or eight countries among its 25 member

nations. The latest report is the first to include Japan since one issued in April 1993.

In the report, the organization said Japan, maintaining the position of world's biggest foreign aid provider for the fourth consecutive year, is a pillar of international efforts to help developing countries.

In addition to the shift to social development projects, Japan helps projects to assist democratization and the improvement of human rights, it noted.

The OECD said Japan should now also step up its help to NGOs, and the status of public-service corporation should be given to some of the country's own NGOs.

Japan also needs to accelerate implementation of its 1993-97 assistance program, the OECD said, pointing out that Japan has provided only \$25 billion of the planned amount of \$70 billion to \$75 billion.

The organization also said the areas of assistance, now centering on Asia, should be expanded to others such as Africa.

**Bank Grants Yen Loan To Aid Tunisia's Exports**

*OW1511114795 Tokyo KYODO in English*  
*1015 GMT 15 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO — The Export-Import Bank of Japan said Wednesday [15 November] it has inked an accord with an official Tunisian bank to loan a total of 12.0 billion yen in a cofinancing scheme to help the nation invest in production facilities in the textile and food-processing industrial sectors.

Of the total, a 3.6 billion yen portion will be extended by the long-term Credit Bank of Japan, Sanwa Bank, the Industrial Bank of Japan and the Bank of Tokyo under an arrangement that the Ex-Im Bank will guarantee its repayments, it said.

Tunisia, which concluded a free trade agreement with the European Union in July, is striving to bolster the international competitiveness of its exports in the textile and food-processing sectors, bank officials said.

The loan is untied, although the terms of the accord with the Tunisian Bank of Economic Development stipulate that the country spend the loan to purchase equipment to assist its export sectors, they added.

**Takemura on Disposal of Irrecoverable Loans**

*OW1511123795 Tokyo KYODO in English*  
*1058 GMT 15 Nov 95*

[FBIS Transcribed Text] Hiroshima, Nov. 15 KYODO — Finance Minister Masayoshi Takemura said Wednesday

day [15 November] that all bad loans at Japanese banks can be disposed of within the next five years.

"Through the banks' efforts, the entire bad-loan problem can be overcome in five years, with some being disposed of in two or three years," Takemura said at a news conference in Hiroshima.

Takemura referred to the ministry's report released Tuesday that about 18 trillion yen will be irrecoverable out of the combined 37.39 trillion yen in bad loans at Japanese banks nationwide, including 11 city banks and 3 long-term credit banks, as of the end of September.

During the past year, the banking sector has disposed of bad loans worth about 5 trillion yen altogether, Takemura said.

On an expected serious revenue shortfall in the national budget for fiscal 1996 starting next April, Takemura said, "we are not thinking about any tax hike just because we cannot reduce expenditures."

"But we have to address ourselves to a drastic fiscal reform in the future, although we are now giving priority to economic stimulus measures," Takemura said.

#### **Scheme for Failed Bank Liquidation Detailed**

*OW1511122795 Tokyo EKONOMISUTO in Japanese  
14 Nov 95 pp 26-27*

["Scoop" by journalist Sakae Kitazawa: "Japanese Financial Authorities Consider Setting Up a New Organization Similar to the U.S. Resolution Trust Corporation"]

#### **[FBIS Translated Text] Using Public Funds to Buy Troubled Financial Institutions' Preferred Stocks**

In order to stabilize the troubled financial sector, Japanese financial authorities are considering setting up a mechanism to handle failed financial institutions by an independent entity. The new organization will rescue financial institutions that will become virtually bankrupt in the wake of the liquidation of the nation's housing loan companies, as well as other financial institutions laden with huge nonperforming loans, by using public funds from the central and local governments.

There will be two ways of providing funds to ailing financial institutions. In the first way, public funds will be injected directly into virtually bankrupt institutions via the new organization in the form of "grants." In the second way, with regard to other financial institutions facing serious financial difficulties, public funds will be used by the new organization to buy their preferred stocks. The merit of using public funds for the purchase of preferred stocks is that once the troubled institutions overcome financial difficulties and their share prices

go up, the new organization will retrieve more than it spent to buy the preferred stocks. Unlike grants, the purchase of preferred stocks will not lead to a total consumption of taxpayer's money. Thus, the financial authorities expect that they will be able to implement this scheme without meeting public resistance.

The proposed scheme is a combination of the U.S. and Scandinavian formulas. In 1989, the United States established a new organization, which had a specified time limit, called the "Resolution Trust Corporation (RTC)," in order to tackle bad loan problems. Several years ago, the Scandinavian nations adopted a measure to utilize preferred stocks for the rescue of distressed financial institutions.

Once the proposed scheme is implemented, Japan will be able to deal with sudden financial bankruptcies, as well as to rescue troubled financial institutions before they go bankrupt inflicting further damage on the nation's credit system. The financial authorities regard the scheme as a trump card to prevent further decline in the credit-risk ratings of Japanese financial institutions.

The plan to inject public funds into ailing financial institutions through the purchase of stocks was once adopted by the prefectural governments of Iwate, Gunma, and Miyazaki, amid growing misgivings about the nation's financial system following the 1929 Great Depression.

In 1932, the prefectural government of Iwate liquidated the local banks to establish a new entity, called Iwate Industrial Bank (currently, Iwate Bank). It raised necessary funds through the issuance of prefectural bonds and bought most of the interests in the new bank. Later, Iwate Industrial Bank consolidated itself through mergers and acquisitions. It absorbed Rikuchu Bank in 1941, and it merged with Iwate Savings Bank in 1943.

Like the U.S. Federal Deposit Insurance Corporation, the U.S. Resolution Trust Corporation is an independent organization vested with specific authority. It took charge of liquidating failed savings and loan associations, within a period of five years fixed by the law. The Japanese organization will also be an independent entity with specific authority, and its activities will probably be limited to about five years.

The financial authorities suddenly started considering the scheme after they realized that it would be impossible for the private sector to come up with a solution for the nation's virtually bankrupt housing loan companies, or "jusen." The parent financial institutions of the seven insolvent housing loan companies have been in serious conflict with the jusen's largest creditors, namely the financial institutions affiliated with agricultural cooperatives, over the jusen's liquidation plan. The jusen's



parent institutions have been insisting that all creditors, including themselves, should share losses in proportion to the amount of loans they made to the housing loan companies, while the financial institutions affiliated with agricultural cooperatives have been claiming that the jusen's founding institutions were liable for all loan-related losses.

The financial institutions affiliated with agricultural cooperatives, including prefectural credit federations with shaky management foundations, together extended more than 40 percent of total loans made to the seven insolvent housing loan companies. The financial authorities cannot inject public funds directly into the financial institutions affiliated with agricultural cooperatives, which are expected to go bankrupt in the wake of the liquidation of the housing loan companies, for two reasons. The first is that both the jusen's parent institutions and the financial institutions affiliated with agricultural cooperatives are opposed to the direct injection of public funds. The second reason is that the public has become increasingly opposed to the use of public funds to bail out financial institutions, following the string of scandals by financial institutions and the Ministry of Finance.

The proposed scheme will enable the financial authorities to deal with financial bankruptcies and bailouts in a more flexible and expeditious way. By establishing an independent organization, they will be able to rescue financial institutions that may go bankrupt inflicting further damage on the Japanese financial system in the wake of the liquidation of the housing loan companies. By buying preferred stocks, the independent organization will help increase the troubled financial institutions' own capital and restore stability in management.

#### **City Banks and Regional Banks Are Expected to Write Off Loans They Extended to the Insolvent Housing Loan Companies**

Meanwhile, the recent surge in funding costs for Japanese banks in Asian currencies and Eurodollar markets forced Japanese banks to promptly write off their bad loans. The nation's 64 regional banks announced that they will use their bad debt reserves to dispose of loans they extended to the jusen, by the end of the first half of fiscal 1995. The nation's ten city banks, including Dai-ichi Kangyo Bank, Fuji Bank, Mitsubishi Bank, Sanwa Bank, Sakura Bank, and Sumitomo Bank, decided to follow suit. They are capable of disposing of their bad loans because they accumulated unprecedented profits in the past when they were able to raise money at low interest costs and lend money at high interest rates.

The city banks and the regional banks will pave the way for the liquidation of three housing loan companies: Nippon Housing Loan Co., Housing Loan

Service Co., and Chigin Seiho Housing Loan Co., by writing off all the loans they made to these companies. Long-term credit banks, trust banks, and second-tier regional banks are also expected to dispose of their bad loans to the jusen by the end of fiscal 1995. Only the financial institutions affiliated with agricultural cooperatives continue to be passive while the financial authorities and the jusen's parent banks are trying to settle the bad loan issue from independent standpoints.

#### **NHK Reports on Power Line Explosion in Kanagawa**

*OW1511071295 Tokyo NHK General Television Network in Japanese 0602 GMT 15 Nov 95*

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] Evidence of an explosion was discovered found this afternoon on an electricity pylon in Sagami-hara, Kanagawa Prefecture that carries power supplied by Tokyo Electric Power Company. Three "can-like" objects were found attached to the steel tower, and police are conducting a thorough investigation. [Video shows aerial shots of the steel tower and the vicinity, the time and date displayed on screen show 0530 GMT on 15 November.]

According to reports received by Kanagawa prefectural police, a local resident noticed four objects strapped to the tower. [Video shows close-up shots of the steel tower, which is enclosed by a rectangular wire fence; it then shows several policemen in riot gear approaching the tower, opening the fence gate and entering the enclosure; no "can-like" objects are visible.]

Police investigations so far have revealed that the "can-like" objects, about 15 centimeters in diameter, were found attached to the steel tower at a height of 3 meters. They say the evidence shows that an explosion did take place.

Police have now dispatched a bomb-disposal team to the area to conduct further investigations because they found three similar "can-like" objects still strapped to the tower with adhesive tape.

According to Kanagawa branch of the Tokyo Electric Power Company, the tower supports 66,000-volt power lines that are part of a power line network covering most of the Sagami-hara area. Power transmission is currently entirely unaffected and no power outages have been reported.

**DA Considering Buying U.S. Tanker Aircrafts***OW1511020395 Tokyo KYODO in English  
0115 GMT 15 Nov 95*

[FBIS Transcribed Text] Tokyo, Nov. 15 KYODO — The Defense Agency [DA] plans to purchase four advanced tanker aircraft from the United States at a total cost of some 12 billion yen under the new midterm defense buildup plan which starts next fiscal year, agency sources said Wednesday [15 November].

The agency is considering to buy McDonnell Douglas KC 10-A Extenders which cost about 3 billion yen each, the sources said.

The planes, to be used for in-flight refueling of F-15 jet fighters of the Air Self-Defense Force, will enable the fighters to stay longer in the air and strengthen readiness against possible aerial invasion, the sources said.

The agency has started consultations with the Finance Ministry over the matter, the sources said.

The government's draft of the new national defense program outline calls for introducing air tankers.

The new basic defense guideline, which was submitted to the cabinet earlier this month, is expected to be approved by the cabinet by mid-December.

The Social Democratic Party (SDP), one of the three ruling coalition parties, opposes buying the air tankers, on the grounds that extending the cruising range of the F-15 fighters goes against Japan's nonaggressive national defense policy.

Political pundits said consultations on the issue between the SDP and the other coalition partners, the Liberal Democratic Party and New Party Sakigake [Harbinger], are likely to face rough going.

The 1986-1990 defense buildup plan and the 1991-1995 plan both stipulated research on introducing air tankers.

The agency says it is necessary to purchase four tanker aircraft as they plan to operate three air tankers at any given time while allowing for one to be undergoing checks and repairs, according to the sources.

**Kono Forms New LDP Political 'Faction'***OW1511121695 Tokyo EKONOMISUTO in Japanese  
21 November 95 Issue*

[Unattributed article]

[FBIS Translated Text] The Liberal Democratic Party [LDP] is still feeling the aftershocks from the party's last presidential election. Foreign Minister Yohei Kono, who "conceded loss without putting up a fight" in the election, has launched a new group of dietmen called

the "Wednesday Study Group." As a result, the party's former Miyazawa faction has virtually split up. The breakup was already obvious at the point where Kono failed to gain support in the presidential election from LDP Secretary General Koichi Kato, a rival member in the same faction. The faction's traditional strength as a group of "mainstream conservatives" seems to have been futile in this age of coalition alliances.

Kono's new group has made its start with a membership of slightly under 30 dietmen, most of whom come from the LDP's former Miyazawa and Mitsuzuka factions. Kichiro Tazawa, former minister of agriculture, forestry, and fisheries, has assumed a position as chairman of the new group, while Kono is serving as an adviser. By and large, the group appears to be a "policy study group," and the members reportedly "still belong to former factions." However, the group is virtually a "faction" regardless of how you look at it as it does not try to hide its antagonism toward the Kato group.

Kono's group has even opened its own office and holds regular meetings. Such activities also mark the group as more or less a faction.

However, what is of concern here is whether Kono, who lost the election in an unprecedented manner, will have a chance to make a comeback. The fact that former Prime Minister Kiichi Miyazawa, who supports Kono, has urged Kono to step out of the presidential race "for future considerations" leads to strong suspicions that Miyazawa is involved in Kono's raising the banners of his new group.

Meanwhile, members of the Social Democratic Party of Japan who advocate protection of the Constitution, including lower house Speaker Takako Doi, who is close to Kono, still have not given up hope on tying up with Kono and his followers. Therefore, there is a strong possibility that these groups may join forces in anti-Keiseikai [a faction once led by former Prime Minister Noboru Takeshita and now supporting Ryutaro Hashimoto, deputy prime minister and concurrently minister of international trade and industry] activities as a common cause. Kono seems to have taken this into consideration in his plan to "make a comeback." He is already proceeding with his own "expansion project," such as preparing to have his eldest son run in the next general election in Kanagawa, Kono's home prefecture. Thus, Kanagawa is likely to become a new epicenter for further LDP shakeups.

**Ouchi, Other Jiyu Rengo Members To Join LDP**

OW1311085095 Tokyo KYODO in English  
0812 GMT 13 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 13 KYODO — Keigo Ouchi, former chief of the now defunct Democratic Socialist Party [DSP], and three other House of Representatives members told the ruling Liberal Democratic Party (LDP) on Monday they will join the LDP.

Ouchi, president of Jiyu Rengo, and three others Jiyu Rengo members — former Foreign Minister Koji Kakizawa, Shizuo Sato and Shinichiro Kurimoto — met LDP Secretary General Koichi Kato at the Diet building and conveyed their wish, Ouchi said.

Kato said the LDP will start procedures to give them membership.

They formed Jiyu Rengo last December with four other lower house members.

Jiyu Rengo currently forms a joint parliamentary bloc with the LDP in the lower house.

**Traders Eyeing Expanded Investment in China**

OW1211095395 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 8 Nov 95 Morning Edition p 1

[FBIS Translated Text] While keeping a watchful eye on China's reform and open door policies, major Japanese trading companies will expand their investment in China in one push. It seems likely that the balance of the nine major firms' investment will exceed \$1.5 billion after three years and be more than double what it was at the end of September, 1995. The firms will attach importance to investment in industries — including communications, domestic distribution, and petrochemical companies — and in inland China. Currently, the investment climate in China is at the coordination stage, including a review of preferential treatment measures and the introduction of foreign capital. The trading firms are strengthening their offensive [kosei] to be prepared for China's 9th 5-year plan, which will start in 1996.

The balance of the nine major firms' investment in China, as of the end of September 1995, is \$947.3 million, or 618 projects. Investment increased rapidly in 1993, when the confusion caused by the 1089 Tiananmen Square incident cooled off. The number of investments made in the past two and half years accounts for about 70 percent of overall investment.

According to its recent plan, Itochu Corp. will speed up its investment by executing 300 new projects in six years, far more than the current 160 projects. Mitsubishi Corporation, and Mitsui & Co., Ltd. will double their

investments in three years. In three years, Nissho Iwai Corp. and Nichimen Corp. are planning to expand their investment by 2.7 and 4.3 times respectively. The total balance of the 9 companies' investment will nearly double after three years.

Itochu and its business partner U.S. Time Warner are watching for a chance to make a joint investment in the information sector. Mitsubishi, Itochu, and Toyo Menka Kaishia, Ltd. signed accords with allied news agencies, who are China's new common carriers, to cooperate with each other. They plan to start full-fledged projects in the area of communication services while closely observing movements [in China] to ease regulations on foreign investment.

Mitsui plans to construct a large food processing complex. Mitsubishi, jointly with a Chinese industrial group, will pursue investment projects mainly in the distribution of oil products. Nichimen and China National Chemicals Import and Export Corporation, which is a general trading company, plan to jointly construct skyscrapers in Shanghai.

**Tokyo To Invest in Venture Capital Fund in India**

OW1411132395 Tokyo KYODO in English  
1155 GMT 14 Nov 95

[FBIS Transcribed Text] Tokyo, Nov. 14 KYODO — Japan will invest in a venture capital fund in India to help nurture local small businesses, an urgent task for industrial progress in the country, a government-affiliated aid organization said Tuesday [14 November].

The Overseas Economic Cooperation Fund (OECF) will plow 7.5 billion yen into the South Asia Regional Apex (SARA) fund to finance 12.5 percent of total costs, OECF officials said.

The Japanese body will join forces with the International Finance Corp., an arm of the World Bank group, and the Asian Development Bank, which will put up 7.5 billion yen and 4.5 billion yen, respectively, for the Indian fund.

It is the first time for the OECF to directly invest in a fund designed to foster small businesses, according to the officials.

Small businesses in India have limited access to funds for starting up or expanding operations because they have to chalk up a net profit equivalent to 33-40 percent of their net worth in order to borrow money, the officials said.

The SARA fund expects to invest an average 20 million yen into small business projects through 10 state-level funds to create 100,000 jobs during a 15-year period.



The money will mainly go to venture companies planning stock listing. The fund will recover investment by selling stock in the firms when they go public, the officials said.

Among the 10 states in which regional funds will be located are Orissa and Bengal in eastern India, Kerala and Tamil Nadu in the south, Maharashtra in the east, and Punjab and Haryana near New Delhi, according to the officials.

#### **Electronic Media Changes News Conferences**

*OW1411152795 Tokyo AERA in Japanese 23 Oct 95 pp 30-33*

[Article by AERA editor Kotaro Kondo: "Electronic Media Brings About Change in the Way Official News Conferences Are Held in Japan"]

[FBIS Translated Text] It is generally difficult for a Japanese freelance journalist to have personal interviews with the top executives of famous foreign companies. As a matter of course, he is also unable to attend every news conference held by famous foreign companies at their headquarters. However, this is not the case with freelance writer Junichi Nakagawa. Nakagawa, who mainly writes for personal computer-related magazines, attends news conferences of such foreign companies as Microsoft Corp. and IBM Corp. on a regular basis, and he always has top executives answer his questions. All this is possible thanks to the use of personal computer networks.

Every day, Nakagawa checks each computer manufacturer's home pages via his desktop terminal. The day I called at his house in suburban Tokyo, the Microsoft home page showed the following notice: "The chief technician of the visual machinery division will give a news conference at 04:30 PM San Francisco time." The news conference schedules of vice presidents and other executive officers were also written on it. Everyone is able to attend the news conference, address questions to the executive officers, and get their answers in real time via the computer network. There are even news conferences that are attended by hundreds of journalists.

"We expressly attend the news conference via computer network, because we have something to ask. Therefore, no one remains silent during the news conference. The company's executive officers also behave as if they were holding ordinary news conferences. We are not having a chat with them via computer network. They try to answer all questions, except for meaningless inquiries. The more they are persecuted with very pertinent questions, the more they become serious and try to beat us in argument," Nakagawa said.

#### **Media Reporters Can No Longer Enjoy the Oligopoly of Information**

This kind of news conference is called a "teleconference." Nakagawa once had an argument with the general manager of the world's largest computer maker while attending a teleconference. "Okay let's meet together the next time I go to Japan," the general manager said to Nakagawa at the end of the teleconference. "I could never make an appointment with such an important person if I called the public relations department and asked to see him," Nakagawa said.

The day teleconferences also become popular in Japan, reporters will probably be embarrassed because they will no longer be able to enjoy the oligopoly of information. Moreover, Japanese reporters are not accustomed to getting the truth out of a person by pelting him with pertinent questions during an official news conference. A veteran political journalist working for a national newspaper even said that it was customary for his company to refrain from asking questions during official news conferences. As his remark shows, the Japanese mass media has a unique system concerning news conferences.

In Japan, it is very difficult to grasp the difference between official and unofficial news conferences or between on-the-record and off-the-record statements. For instance, the minister of international trade and industry has three different ways to meet the media, according to several economic journalists working for national newspapers. When the minister holds an "official on-the-record news conference," the press is allowed to use the following expression: "The minister of international trade and industry is quoted as saying that...." When the minister holds an "off-the-record news conference," the press is allowed to use what the minister said as "statements made by the chief of the Ministry of International Trade and Industry."

The minister also holds what are called "nighttime private informal talks," by inviting reporters to his office at night. Whisky and wine are usually served during the private informal talks, and the attending journalists get a background briefing from the minister on specific matters. These talks are totally off the record. The minister hosts such private informal talks in order to prevent each journalist assigned to cover the Ministry of International Trade and Industry from coming to see him separately at night for private interviews.

Ministries and government agencies also host what are called "closed informal talks." Only journalists from selected news organizations are invited to the closed informal talks. Although these news conferences are de-

scribed as "closed," the ministries and government agencies generally do not go deeply into specific matters.

As a result, official news conferences tend to become a kind of regular event held just for the sake of formality. Generally, Japanese reporters have nothing to ask at official news conferences. According to a reporter who was once assigned to cover the Bank of Japan, government officials sometimes prepared a list of possible questions that could be asked to the host of the news conference, and they distributed it to the press in advance, because they knew that no questions would come from the press side.

#### **The Contents of the Imperial Household Agency's Off-the-Record News Conferences Are Leaking Out**

News conferences held by the Imperial Household Agency are the most ridiculous, according to a reporter of a major newspaper who was once assigned to cover the agency.

Every year, the Japanese emperor holds about two news conferences. He generally meets the media on the occasion of his birthday, and he usually holds a news conference before making a trip abroad.

Every month, the grand steward of the Imperial Household Agency, the vice grand steward of the Imperial Household Agency, and the grand chamberlain to His Majesty the Emperor separately hold several news conferences. The grand steward regularly calls one on-the-record news conference and one off-the-record news conference per month.

"There is no big difference between the on-the-record and the off-the-record news conferences. The grand steward does nothing but explain the emperor's official schedule, even during the off-the-record news conferences. If someone asks a delicate question during the off-the-record news conference, and if the grand steward lets an offhand remark slip out, any story related to this matter will be forbidden. Thus, reporters generally don't ask questions of the grand steward," the above-mentioned reporter said.

Although newspapers and TV networks were informed in advance that the emperor was scheduled to visit Hiroshima, Nagasaki, and Okinawa this year, they were unable to immediately report the news because the information was released by the Imperial Household Agency during an off-the-record news conference. Meanwhile, some weekly magazines, whose reporters are not allowed to attend the Imperial Household Agency's news conferences, obtained the information from somewhere and scooped all the newspapers and TV networks on this story.

"Some people immediately called for the abolition of the Imperial Household Agency's off-the-record news conferences. However, the system remained unchanged, because the majority of the news organizations, which are allowed to attend the agency's news conferences, did not support the abolition. Short-staffed organizations rather prefer to maintain the existing system, because if news coverage becomes entirely free, they may miss out on a scoop for lack of manpower, whereas if all organizations have to follow the coverage rules under the existing system, there is no possibility of being scooped by others," the above-mentioned reporter said.

#### **A Satellite TV Station Has Begun Broadcasting Major News Conferences From Beginning to End**

Nevertheless, there are signs that Japanese news conferences may change in the near future. A satellite-broadcasting TV station, called "Satellite Channel Asahi New Star," started covering major news conferences from beginning to end and broadcasting its entire footage unedited. This TV program, called "Fresh Report! News Conferences," was launched last June. News Conferences held by major cabinet members, such as the chief cabinet secretary, the minister of International Trade and Industry, and the minister of Finance, as well as news conferences held by the leaders of the four economic organizations, are broadcast from beginning to end.

"We decided to broadcast the news conferences as they are without cutting or omitting anything. Many government offices and trading companies subscribed to our service. Our program became an important news source to government officials and business experts, because it provides subscribers access to untreated original data, including visual information," Satoru Tsutsumi, president of the satellite-broadcasting service, said.

NIHON KEIZAI SHIMBUN, REUTERS, and KYODO NEWS SERVICE are also examining the possibility of providing similar service by using video cameras.

Meanwhile, ASAHI SHIMBUN's Electronic Media Division began to provide a new service related to news conferences in October. It transcribes the contents of major news conferences word by word and provides the full text through computer networks. In the United States, the Internet global computer network has been providing substantial information related to the White House for several years. Internet users have immediate access to the full texts of news conferences held by the U.S. President and his staff. ASAHI SHIMBUN's service is similar to the Internet's, but it is limited to Japan.

Once untreated data begins to flow via electronic media, the way news conferences are held in Japan may soon change. Masafumi Nishikiori, staff reporter of ASAHI SHIMBUN's Electronic Media Division, thinks that Japanese news conferences are now undergoing a change. "In the past, there were many official news conferences during which no one asked any questions of cabinet members. However, once all contents of the official news conferences are released to the public via electronic media, reporters can no longer remain silent because people will say, 'What the hell are they doing there'? Reporters from the satellite-broadcasting service are asking other journalists to open their mouths during the official news conferences while they are on camera, and not to only think of asking questions at the nighttime private informal talks with the cabinet members," Nishikiori said.

#### **People Will Manage To Hold Closed Informal Talks More Cunningly**

If everyone can immediately have access to untreated original data via computer networks, news organizations, which are incorporated into Japan's press club system, will no longer be able to enjoy their privileges. "If there were a system that will enable all journalists to have access to the same data, those who have a great stock of expert knowledge would have the edge over others. Under such circumstances, it will become easier for freelance journalists to gain credit with news sources," freelance reporter Nakagawa said.

The spread of electronic media may also release reporters from their infernal duty of attending sterile news conferences. "Most important information, such as information related to corruption, can be obtained only through private interviews. Thus, we should rather leave electronic media in full charge of easy-to-access information, such as the contents of a news conference," Tetsuro Wada of NIHON KEIZAI SHIMBUN's Data Bank Division said.

There is also a cynical view of the situation. "If everyone has access to official news conferences, I'm afraid that major news organizations will manage to hold closed informal talks with cabinet members in a more complicated and cunning manner," a former political reporter said. As the proverb says, "Water seeks its own level," so electronic media will find its own place in Japan as time goes by.

### **North Korea**

#### **Foreign Ministry on U.S. Senate Resolution**

*SK1511124695 Pyongyang KCNA in English  
1238 GMT 15 Nov 95*

["Foreign Ministry Spokesman on 'Resolution' of U.S. Senate" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — A spokesman for the Foreign Ministry of the DPRK issued a statement today concerning the "resolution" adopted at the U.S. Senate on November 10, which urges inter-Korean dialogue.

The statement says:

The "resolution" blamed the DPRK for the failure of "progress in inter-Korean relations" and argued that improvement of inter-Korean relations should precede improvement of DPRK-U.S. relations.

It is very ill-boding that the U.S. Senate in the "resolution" distorted the fundamental problem of inter-Korean relations and raised inter-Korean dialogue as a precondition for improvement of DPRK-U.S. relations in a far-fetched way.

The situation in South Korea is not fit for dialogue. The South Korean authorities are not qualified for dialogue partner.

The South Korean authorities are criticised by the South Korean people and the world public for the ongoing U.S.-South Korea joint military exercise Foal Eagle 95 in South Korea, the anti-DPRK confrontation campaign, the arrest of the visitors to the North and the slush fund scandal. Dialogue with them means an insult to dialogue and an opposition to the nation's will.

The U.S. is aware of this situation better than anyone else.

It was agreed that inter-Korean dialogue would be resumed according to the situation through the implementation of the DPRK- U.S. framework agreement. It is more than a year since the adoption of the agreement, but the light-water reactor provision agreement, the key point of the framework agreement, has not been concluded due to the unreasonable stand of the U.S. side.

This being the situation, the United States raises inter-Korean dialogue as a precondition for improvement of DPRK-U.S. relations and is still pursuing a confrontation policy based on the cold war era concept of hostility and its one-sided policy toward South Korea. This will create complexity and difficulty in inter-Korean relations as well as DPRK-U.S. relations.



This will not be beneficial to any side.

The "resolution" that "urges" the DPRK to have dialogue with the South Korean puppets, who do not want dialogue but doggedly oppose the improvement of DPRK-U.S. relations, shows that the U.S. Congress is playing into the hands of the South Korean authorities, who scheme to meddle with the implementation of the DPRK-U.S. framework agreement and the relations between the DPRK and the U.S. and fish in troubled waters in political terms.

If the irresponsible stand of U.S. Congress becomes a policy of the U.S. Administration and "inter-Korean dialogue" is continuously raised as a precondition for improvement of bilateral relations pursuant to the DPRK-U.S. framework agreement and is abused as an expedient for political pressure on the DPRK, it may endanger the hard-won agreement itself.

In that case, we will have no alternative but to take appropriate measures because we do not live on the agreement and the failure of its implementation would bring us nothing bad.

#### **U.S. Stand Endangers Framework Pact**

*SK1511120495 Pyongyang KCNA in English  
1155 GMT 15 Nov 95*

[*"Irresponsible Stand of U.S. Congress May Endanger DPRK-U.S. Framework Agreement, Warns FM Spokesman" — KCNA headline*]

[*FBIS Transcribed Text*] Pyongyang, November 15 (KCNA) — If the irresponsible stand of U.S. Congress becomes a policy of the U.S. Administration and if "inter-Korean dialogue" is continuously raised as a precondition for improvement of bilateral relations pursuant to the DPRK-U.S. framework agreement and is abused as an expedient for political pressure on the DPRK, it may endanger the hard-won agreement itself.

A spokesman for the Foreign Ministry of the DPRK warns this in a statement issued today concerning the November 10 "resolution" of the U.S. Senate urging inter-Korean dialogue.

The spokesman said:

The United States raises inter-Korean dialogue as a precondition for improvement of DPRK-U.S. relations and is still pursuing a confrontation policy based on the cold war era concept of hostility and its one-sided policy toward South Korea. This will create complexity and difficulty in inter-Korean relations as well as DPRK-U.S. relations.

If the DPRK-U.S. framework agreement is exposed to danger, we will have no alternative but to take

appropriate measures because we do not live on the agreement and the failure of its implementation would bring us nothing bad.

#### **U.S. Urged To Renounce 'Policy of Strength'**

*SK1511060095 Pyongyang Korean Central  
Broadcasting Network in Korean  
0845 GMT 14 Nov 95*

[*Commentary in 14 November NODONG SINMUN: "It Should Renounce the Policy of Strength"*]

[*FBIS Translated Text*] The adventurous Foal Eagle-95 joint military exercise simulating a preemptive strike against our Republic is now being madly staged across South Korea.

The Foal Eagle-95 joint military exercise has been boldly carried out by mobilizing tens of thousands of U.S. soldiers from the U.S. mainland and South Korea, most of the South Korean puppet forces, and the armed forces of the U.S. Seventh Fleet. This resembles one of its war activities.

Due to the reckless fire game, South Korea is now shrouded in a war atmosphere, and an extremely grave situation has been created on the Korean peninsula. Regarding this, international social circles are paying attention to the situation on the Korean peninsula, and are expressing worry and anguish over this. Perpetrating the Foal Eagle-95 war exercise is a vicious challenge to our people and the world's peace-loving people as well as to peace.

Our people are strongly protesting the fact that the United States is waging a reckless military frenzy in opposition to our Republic, its dialogue partner, threatening peace and security on the Korean peninsula and in Asia.

Even though the United States advocates respect for sovereignty and peace with words, in fact, it is pursuing invasion and war as well as suppression and subordination based on its superiority in strength. The U.S. viewpoint and mode of thinking are that strength is justice, and that it guarantees the U.S. sphere of influence and its position as a superpower. Advocating the theory of superiority through strength, the United States is carrying out its aggressive world strategy by means of its strength and with the exercise of power as its basis.

In short, the United States is attempting to invade, plunder, and dominate other countries by wielding a club. That the United States is kicking up an arms buildup in South Korea while engaging in massive war exercises, such as the Foal Eagle-95, can be seen as a part of such maneuvers.

The United States is stressing that only strength can defend peace. This is a reactionary theory. Strength and peace cannot coexist together.

In order to maintain and consolidate peace and stability on the Korean peninsula and in Asia, the military actions taken by the United States, such as the arms buildup and war exercise, should disappear from this region. Under the condition in which the United States strengthens its war commotion, peace and stability on the Korean peninsula, as well as in Asia and the rest of the world, cannot be expected.

In actuality, due to the military frenzy perpetrated by the United States, the danger of war is growing greater on the Korean peninsula, and peace and stability in Asia are threatened. This has exercised a major influence on guaranteeing world peace.

The war commotion now under way in South Korea is a demonstration of strength against the Republic, which worsens the belligerent relations between the DPRK and the United States, tenses the situation on the Korean peninsula, and throws a wet blanket on the efforts for an improved situation in Asia.

The United States declared before the world that it would suspend hostile actions against us, especially its nuclear threat. The international community welcomed this and hoped the United States would sincerely implement its promise, thus easing tensions on the Korean peninsula. However, contrary to its promise, the United States is attempting to realize its insidious purpose by applying pressure against us, its dialogue partner, by means of strength.

The Foal Eagle-95 war exercise is a graphic indication of the U.S. policy of strength. In fact, the war exercise is the Team Spirit nuclear war exercise whose name has been changed. The anti-Republic military threat and nuclear blackmail [haek konggal] by the United States are becoming all the more grave with each passing day.

The United States is going along the road of anti-Republic military adventurism, breaking its pledge to us. This clearly shows its inferior morality and bellicosity. It is also a betrayal of a dialogue partner and a violation of the DPRK-U.S. agreed framework.

We hate their betrayal the most and do not accept it.

The U.S. policy of strength may work in relations with others, but never with us. If the United States continues to strengthen its military frenzy in opposition to us, a grave situation will be created. The United States will be entirely responsible for this.

No one welcomes the anachronistic policy of strength held by the United States, which threatens the peace and sovereignty of the nation and the country.

The United States should judge the situation correctly and stop its reckless military action.

#### Foreign Groups Urge Replacement of Armistice Pact

SK1411142595 *Pyongyang KCNA in English*  
0747 GMT 14 Nov 95

[Names of publications as received]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — Political and public circles around the world strongly demand that the United States take practical measures for the replacement of the Korean Armistice Agreement with a peace agreement, an urgent issue for a lasting peace and security on the Korean Peninsula.

In a statement, Chairman of the People's Front of India B. Mohan said the Korean nation, who had lived in harmony in one territory with a long history, were bisected into North and South as the U.S. troops occupied South Korea. The United States must feel full responsibility for this, he said.

He added that replacement of the Armistice Agreement with a peace agreement is the most urgent issue in implementing the resolution of the 30th U.N. General Assembly session on the Korean question.

Amaral Matos, first secretary of the Maputo City Committee of the Mozambique Liberation Front Party, in a statement demanded that the United States give up its planned military pressure on the DPRK, stop war preparations and sincerely respond to the DPRK's proposal for replacing the Armistice Agreement with a peace agreement.

Prof. and Dr. Boris Zanegin of the Institute of U.S. and Canadian Studies of the Russian Academy of Sciences said the DPRK's proposal for concluding a peace agreement between the DPRK and the U.S. is reasonable from the legal point of view.

If a new peace mechanism is set up and a peace agreement is concluded between the DPRK and the United States, it will open a phase decisively favorable for the reunification of Korea, the implementation of the DPRK-U.S. framework agreement and the denuclearization of the Korean peninsula.

The Libyan paper AD-SHAMS, the Nigerian paper OBSERVER and the Nepali paper OBSERVER carried articles critical of the U.S. hostile policy toward the DPRK.

**Daily Denounces Arms Deals With U.S., France**

*SK1411142895 Pyongyang KCNA in English*  
*0742 GMT 14 Nov 95*

**["Reckless Move for War Against North" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — The South Korean puppets' Ministry of Defence has reportedly decided to "take on lease" twenty "P-34" training planes from the United States for ten years from next year.

And, it has also made a decision to deliberate with France on "logistic support" and "ways of cooperation between institutes of military sciences" concerning the warship designing technology and shoulder-fired missile.

MINJU CHOSON in a commentary today says the reckless move clearly shows how wild the puppets are running to turn South Korea into an ammunition dump for war against the North and stifle the northern half of Korea by force of arms.

The puppets are putting spurs to arms buildup while staging the "Foal Eagle 95" war drill together with the United States, it notes, and adds: This is a vivid illustration proving that they are entering a perilous road of carrying into practice one by one the plans of war against the North together with outside forces.

Anti-communist confrontation and war moves cannot be a way out, but will bring earlier the day of self-destruction, the commentary says, warning that the Kim Yong-sam group must not run amok.

**South Military Activity in DMZ Viewed**

*SK1511043295 Pyongyang KCNA in English*  
*0314 GMT 15 Nov 95*

**["Repeated Military Provocations in DMZ" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — The South Korean puppets brought a 90 mm recoilless gun in the Demilitarized Zone of the central sector of the front on November 11, and soldiers of the puppet army in the DMZ of the western sector of the front levelled 90 mm recoilless guns and 12.7 mm machine guns for hours towards a civil post of the North side and soldiers of the People's Army on November 13 and 11, according to military sources.

Soldiers of the puppet army fully armed with machine guns and automatic rifles infiltrated into the DMZ of the central and eastern sectors of the front on November 11, 12 and 13. And dozens of officers of the puppet army were frantic in mock operations and observation and

reconnaissance on the North side in the DMZ of the western sector of the front on November 13.

**Daily Condemns U.S.-South Military Talks**

*SK1511105095 Pyongyang KCNA in English*  
*0856 GMT 15 Nov 95*

**["Anachronistic Policy of Strength Against Korea Cannot Be Allowed" — KCNA headline]**

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — The defence secretary, the chairman of the joint chiefs of staff and other U.S. brasshats flew into South Korea to have military confabs with the brasshats of South Korean puppet army.

Commenting on this, NODONG SINMUN today says that at the recent military confabs the United States betrayed its unchanged intention to maintain military confrontation on the Korean Peninsula and destroy our socialism by force of arms. The analyst goes on to say:

The U.S. chairman of the Joint Chiefs of Staff at the 17th U.S.- South Korean military committee meeting said that "there was still a military threat" from the DPRK, and they would keep what they call "rapid deterrent force" and the U.S. forces present in South Korea in full readiness. All this indicates that the United States will intensify military pressure and threat against the DPRK and carry into practice a Korean war scenario.

The U.S. clamour about "military threat" from the DPRK at the recent military confabs with the South Korean puppets is a far-fetched argument and a brigandish logic reversing black and white.

The U.S. does not want to liquidate the structure of the Cold War in the Korean Peninsula but seeks its nuclear policy.

At the military confabs the U.S. revealed its intention to continue using the South Korean puppets as an executor of its aggressive policy towards Korea and its Asian strategy and war servant.

The question of setting up a new peace mechanism on the Korean Peninsula can be solved only between the DPRK and the U.S. The United States, however, is trying to shift the question on the South Korean puppets who have no real power, and wriggle out of it and thus lay obstacles in the way of the establishment of a peace mechanism in the Korean Peninsula and make it far-off to improve the hostile relations between the DPRK and the United States.

The U.S. commitments to offer "nuclear umbrella" to South Korea shows that the U.S. position to continue



pursuing nuclear policy toward the DPRK remains unchanged.

The United States should renounce the anachronistic policy of strength against the DPRK.

### **South Workers Urged To Rise Up Under New Union**

*SK1511000895 Pyongyang Korean Central Broadcasting Network in Korean  
1223 GMT 13 Nov 95*

[Commentary by Yun Pyong-son: "Forming an Independent Organization Is the Fruition of Struggle"]

[[FBIS Translated Text] The National General Federation of Democratic Labor Unions [NGFDLU] has been inaugurated in South Korea amid the great interest and expectation of the workers.

As is known, the Kim Yong-sam fascist clique has issued a repressive order to arrest all 20 core cadres of the Preparatory Committee for Forming the NGFDLU, waging a major check and search commotion and a commotion of arresting them everywhere in South Korea. Thus, the clique has viciously schemed to block the formation of the NGFDLU for a long time.

Nevertheless, South Korean workers held a founding rally of this organization on 11 November at Yonsei University in Seoul to declare its formation to the world in defiance of such barbarous oppression maneuvers by the fascist clique.

All people and workers in the northern half of the Republic sincerely rejoice over the formation of the NGFDLU, which is the democratic organization of South Korean workers, and extend active support for and solidarity with it.

The official inauguration of the NGFDLU as an independent labor union that covers hundreds of thousands of workers in South Korea is a major significant event in the lives and struggle of South Korean workers.

As everyone knows, South Korean workers have been forced to undergo the state of deprivation of political rights more extremely than during the past military dictatorships, and even their primary right of living has been mercilessly trampled underfoot. They have to face knife-wielding police gangsters, not only in their struggle for independence, democracy, and reunification, but in the struggle for wage increases and improved working conditions. They also receive starvation wages that are less than one third their minimum living costs, despite the fact they have to work longer hours and under the worst working conditions. This is the precise situation today for South Korean workers.

Even South Korean publications have revealed that South Korean workers have been treated as machines. South Korean workers have rejected the government-patronized labor union and have vigorously waged the struggle to form an independent, democratic labor union in order to seek the kind of life a human being should lead, free from such a state of extreme deprivation of political rights, free from political oppression, and free from the hardships of living. As a result, South Korean workers have realized the formation of such an independent and democratic labor union.

As the fruition of the South Korean workers' struggle, the NGFDLU is an independent organization that protects the existence of South Korean workers and their democratic freedom and rights.

With the formation of the NGFDLU in South Korea, the labor movement in South Korea has opened an epochal stage in its development.

Today, firmly united under the NGFDLU, South Korean workers are filled with the firm determination and faith to vigorously struggle to strengthen its organizations, to legalize them, and to achieve democratization in South Korean society and work sites in South Korea.

It is certain that when the NGFDLU vigorously carries out the struggle for independence, democracy, and reunification in conformity with the mission it has been assigned for society and for the workers, and carries out the struggle for the workers' standard of living, there will be much more progress in the labor movement and in the workers' standard of living.

The forming of the NGFDLU clearly shows that the struggle of the workers who have risen up for democratic freedom and rights cannot be blocked, and that when workers unite and struggle there will be nothing that cannot be achieved.

South Korean workers will firmly unite around the NGFDLU and will more vigorously rise up in the struggle to protect their organizations from the fascist clique's oppression and to be free from the extreme deprivation of their political rights and their miserable living.

### **Daily Welcomes New Labor Federation in South**

*SK1511103695 Pyongyang KCNA in English  
0851 GMT 15 Nov 95*

["Minjunochong Formed in Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — MINJU CHOSON today says the inauguration of the National Federation of Democratic Trade

Unions (Minjunochong) in South Korea on November 11 marked an epoch-making event in the development of the labour movement in South Korea.

In a commentary the paper says Minjunochong is a precious fruition of struggle borne by the South Korean working class in defiance of the puppets' fascist suppression, enjoying support and solidarity from peoples of various social strata.

The paper further says:

Since the formation of Minjunochong, the labour movement has been put on a higher stage of its development in South Korea. The South Korean working class have been able to invigorate their struggle for independence, democracy, reunification and their vital rights with a more powerful weapon. This has dealt a heavy blow at the puppets trying to stifle the labour movement and the "government"-controlled federation of trade unions has been left without any real meaning.

The Kim Yong-sam group must stop trying to get rid of the labour movement and ensure free activities of Minjunochong.

The South Korean working class will, closely rallied around Minjunochong, vigorously struggle to achieve independence, democracy and reunification and defend their rights.

#### **Overseas Koreans Urge Release of Pak Yong-kil**

*SK1411143595 Pyongyang KCNA in English*  
*0749 GMT 14 Nov 95*

[FBIS Transcribed Text] Pyongyang, November (KCNA) — Overseas Koreans and foreign organisations resolutely condemn the South Korean authorities for persecuting the pro-reunification patriots who had visited Pyongyang.

The General Association of Korean Citizens in China in a statement vowed to fight courageously for the rescue of the patriotic woman, Pak Yong-kil, the repeal of the fascist "National Security Law," the dissolution of the "Agency for National Security Planning" and the overthrow of the Kim Yong-sam fascist dictatorial regime and to render active support to the South Korean people's struggle for independence, democracy and reunification.

The Norway-Korea Friendship Association in a statement denounced the South Korean authorities for blocking inter-Korean contact and travel and urged them to release Mrs. Pak Yong-kil and stop fascist suppression at once.

#### **Liaoning Delegation Pays Homage to Kim Il-song**

*SK1511045495 Pyongyang KCNA in English*  
*0359 GMT 15 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — Secretary General of the Asian Regional Institute of the Chuche Idea Govind Narain Srivastava [spelling of name as received] and his party visited Kumsusan Memorial Palace, where the great leader President Kim Il-song is preserved in state, and paid homage to him on Tuesday.

The secretary general wrote in the visitor's book that he would take one road to the last for victory of the chuche idea under the wise leadership of the great leader Comrade Kim Chong-il, bearing the behests of President Kim Il-song deep in mind.

On the same day the Liaoning Provincial Government economic delegation of China visited Kumsusan Memorial Palace to pay homage to the respected president.

Earlier, the secretary general of the Asian Regional Institute of the Chuche Idea and his party laid a floral basket in the name of the institute before the statue of President Kim Il-song on Mansu Hill and made a bow.

#### **Koreans in Japan Send Letter to Kim Chong-il**

*SK1411031095 Pyongyang KCNA in English*  
*0258 GMT 14 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — The great leader Comrade Kim Chong-il received a letter from the participants in the inaugural meeting of the Federation of Korean Religionists in Japan.

The letter dated November 10 informed him that the General Association of Korean Residents in Japan (Chongnyon) and the Korean religionists in Japan inaugurated the Federation of Korean Religionists in Japan in order to unite broad segments of Koreans in Japan including fellow religionists of the third and fourth generations closely into the patriotic ranks, defend their freedom of religious belief and other national rights, promote national reunification under the banner of great national unity, develop friendly relations with foreign religionists and contribute to the cause of world peace, true to the decisions of the 17th Congress of Chongnyon to fulfill the tasks advanced by respected General Kim Chong-il in his letter to Chongnyon and Koreans in Japan.

"With the inauguration of the Federation of Korean Religionists in Japan as an occasion, we will unite all Korean religionists including Buddhists and Christians into the patriotic ranks, irrespective of religious belief

and affiliation, strengthen unity and bonds with those under the influence of the association of South Korean residents in Japan as well as those in South Korea and take a responsible part in the cause of the independent and peaceful reunification of the country," the letter said.

"We will deepen friendship and international solidarity with Japanese and other religionists around the world, radically increase the ranks of supporters and sympathizers of the Korean people's chuche cause and the reunification of Korea and make positive contributions to world peace," it added.

The letter sincerely wished Marshal Kim Chong-il good health and a long life.

#### **Friendship Gathering Held With Cambodian Officials**

*SK1411031795 Pyongyang KCNA in English  
0303 GMT 14 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — A friendship gathering was held at Korea-Cambodia Friendship Pyongyang University of Music and Dance on Monday [13 November] on the occasion of the 42nd anniversary of the independence of Cambodia.

Invited to the gathering were Cambodian Ambassador to Korea Oum Mannorine and embassy officials and Cambodian student apprentices.

Chon Yon-ok, vice-chairperson of the Korean Committee for Cultural Relations With Foreign Countries and chairperson of the Korea-Cambodia Friendship Association, and other officials concerned were present there.

The participants visited different special study rooms of the university and conversed with each other in a friendly atmosphere.

#### **Book 'Great Genius of Mankind' Published in Russia**

*SK1411031595 Pyongyang KCNA in English  
0301 GMT 14 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — A book "Great Genius of Mankind" written by Director of the Paleya Publishing House of Russia Nikolay Mishin and historian Viktor Sakharov was brought out in Russia on the occasion of the 50th anniversary of the Workers' Party of Korea.

The book carried a photograph of the great leader President Kim Il-song standing on the ridge of Mt. Paektu.

It consists of a preface and five titles.

It says in its preface:

There were many great men and masters renowned for wisdom, talent, military art and bravery in history and their exploits for their nations and humankind had been handed down to posterity by articles and poems. But all of them, though they are put together, can not compare with the immortal exploits of Comrade Kim Il-song for human history.

The writers say in the book: The greatest exploit of the great Comrade Kim Il-song for international community and humankind is the foundation of the chuche idea and it is a valuable inheritance of mankind that should be handed down forever.

To advocate and follow the chuche idea is the irresistible trend of the times.

The great leader Comrade Kim Chong-il, who has flawlessly personified the character and quality of respected Comrade Kim Il-song, is making great contributions to the Korean revolution and to realising global independence.

Comrade Kim Chong-il is the greatest man who will lead not only the present century but also the 21st century.

#### **Meeting Marks Syrian Anniversary**

*SK1511044895 Pyongyang KCNA in English  
0353 GMT 15 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — A meeting was held in Pyongyang on November 14 on the occasion of the 25th anniversary of the Corrective Movement in Syria.

Finance Minister Yun Ki-chong, chairperson of the Korea-Syria Friendship Association, said in her speech that the Syrian people defended the sovereignty of the country and made great strides in the fruitful struggle to build a new society, rallied behind the Arab Socialist Baath Party led by President Hafiz al-Asad, their leader of advance, over the past 25 years.

She noted that the Korean people are sincerely rejoiced as over their own over the achievements made by the friendly Syrian people in the building of a new society and extend firm solidarity to the Syrian people in their efforts to retake the occupied Arab land including Golan Heights and achieve territorial integrity.

Anwar al-Fadel [name as received], charge d'affaires ad interim of the Syrian Embassy in Pyongyang, said in his speech that the Corrective Movement was carried out in interests of the people on November 16, 1970.

He said they feel at first hand in Korea that the friendly relations between the two countries are developing on



a higher stage in all fields because the great leader Comrade Kim Chong-il is paying deep concern.

The proposal for reunification through confederacy is the most valuable property left behind by the great leader Comrade Kim Il-sung on the road to the reunification of the country, he said, and we'll on; the immortal exploit performed by Comrade Kim Il-sung for the reunification of the country will shine forever along with the reunification of Korea which will be realised by the great leader Comrade Kim Chong-il.

If the United States, the signatory of the Armistice Agreement with the Democratic People's Republic of Korea, is ready to take action in detail to ensure security and peace on the Korean peninsula as promised in the DPRK-U.S. agreed framework, it should establish a new peace mechanism to replace the old armistice tool.

A congratulatory letter to the Syrian president was adopted at the meeting.

#### Article Marks Palestinian Anniversary

SK1511045395 *Pyongyang KCNA in English*  
0357 GMT 15 Nov 95

["7th Anniversary of Proclamation of State of Palestine"  
— KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — NODONG SINMUN today dedicates a signed article to the 7th anniversary of the proclamation of the state of Palestine.

The foundation of the state of Palestine was a shining fruition brought about by the just cause of the Palestinian people and resistance fighters and an event of weighty significance in the development of the Palestinian revolutionary movement, the article says, and notes:

After the proclamation of the state of Palestine, the Palestinian people have waged a persistent struggle to put an end to the occupation by the Israeli aggressors, retake the lost territory and restore their legitimate national right. This struggle accompanied sacrifice and twists, but no one could break the fighting will of the Palestinian people and fighters for the liberation of the country and freedom.

An agreement on expansion of Palestinian self-rule in the West Bank was concluded on September 28, 1995.

Now the international community hopes that the agreement will be implemented with success and a new advance will be made in peace process of the mideast.

The Korean people have actively supported the Palestinian people's struggle. The Korean people's firm soli-

darity with the Palestinian people will be invariable in the future, too.

The just cause of the Palestinian people will surely be achieved.

#### Kim Chong-il Replies to Foreign Party Leaders

SK1411234695 *Pyongyang KCNA in English*  
1002 GMT 14 Nov 95

[Spelling of all names as received]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — The great leader Comrade Kim Chong-il sent messages to party leaders of different countries in reply to their greetings on the occasion of the 50th anniversary of the Workers' Party of Korea [WPK].

The messages were sent to Hafiz al-Asad, general secretary of the Arab Socialist Baath Party of Syria; Norodom Ranariddh, chairman of the Funcinpec Party of Cambodia; Chea Sim, chairman of the C.C. [Central Committee], People's Party of Cambodia; Madhav Kumar Nepal, general secretary of the C.C., Nepal Communist Party (United Marxism-Leninism); Narayan Man Bijukchhe, chairman of the C.C., Nepal Worker-Peasant Party; Farouk Dahrouj, general secretary of the C.C., Lebanese Communist Party; Walid Jumblatt, president of the Socialist Progressive Party of Lebanon; Inaam Raad, chairman of the National Socialist Party of Syria in Lebanon; B. Dashyondon, general secretary of the Mongolian People's Revolutionary Party; Wisal Farha, general secretary of the C.C., Communist Party of Syria; Darmasiri Senanayake, general secretary of the C.C., Sri Lankan Freedom Party; Arthit Ourairat, leader of the Seritham Party of Thailand; Dogu Ferincek, chairman of the Workers' Party of Turkey; Benazir Bhutto, chairperson of the Pakistan People's Party; Iqbal Ahmed Khan, secretary-general of the Pakistan Muslim League; Nayef Hawatmehb, secretary general of the Palestine Liberation Democratic Front; Vassos Lyssarides, chairman of the C.C., Socialist Party of Cyprus; Yacob Zayadine, general secretary of the C.C., Jordanian Communist Party; Talal Hafun Ala Mai, general secretary of the People's Unity Party (Unionist) of Jordan; Indrajit Gupta, general secretary of the National Council of the Communist Party of India; Sushil Kumar Shinde, general secretary of the Indian National Congress Party (I); Chitta Bash, general secretary of the C.C., All-India Forward Bloc; Abdul Karim Al Iryani, general secretary of the General People's Congress of Yemen; Ali Saleh Obad Mokbil, general secretary of the C.C., Yemen Socialist Party; Kassim Salam, secretary of the Yemeni Regional Leadership of the Arab Socialist Baath Party; Do Muoi, general secretary of the C.C., Communist Party of Vietnam; Huudu Yahaya,

general secretary of the National Democratic Congress of Ghana; Kwesi Pratt, general secretary of the Popular Party for Democracy and Development of Ghana; Abou Bacar Sompore, general secretary of the Party for Unity and Progress of Guinea; Mahamadou Issoufou, chairman of the Party for Democracy and Socialism of Niger; Rakotomandimby Selestine, national chairperson of the Socialist Progressive Party of Madagascar; Rakutuvau Andriantiana, president of the Party of the Congress for the Independence of Madagascar; Rahatibiny Rorette, national chairman of the Worker-Peasant Struggle Party of Madagascar; Razafindrabe Andre, secretary general of the C.C., Monima Socialist Organization of Madagascar; Ibrahima N'Diaye, secretary general of the Executive Committee of the African Party for the Solidarity and Justice of Mali; Mamadou El Bechir Gologo, secretary general of the National Direction Committee of the Sudanese Union-African Democratic Rally in Mali; Mohamed Lamine Traore, national secretary of the Malian Movement for the African Independence, Renaissance and Integration; L. Chandramun, president of the C.C., Mauritius Communist Party; Philippe Ouedraogo, secretary general of the African Party of Independence of Burkina Faso; Toe De Stanislas, general secretary of the Democratic Youth Revolutionary Party of Burkina Faso; Ali Houdou, secretary general of the Construction Workers' Party of Benin; Carlos Agostinho das Neves, general secretary of the Democratic Independent Action of Sao Tome and Principe; Carlos Dias Da Graza, general secretary of the Liberation Movement of Sao Tome and Principe-Social Democratic Party; Abdoulaye Bathily, secretary general of the Senegalese Democratic League-Movement for the Party of Workers; Ngoy Nduba, secretary general of the Lumumba Democratic Party of Zaire; Otete Gaston Mboyo, national chairman of the National Movement of the Genuine Lumumbist Combatants of Zaire; Milud Al Mahdabi, general secretary of the Permanent Secretariat of the Organization of Socialists in the Mediterranean; Leon Nzokene, general secretary of the Congolese Socialist Party; Dama Dramani, general secretary of the Togolese People's Rally; Mohamed Bel Hadj Amor, general secretary of the People's Unity Party of Tunisia; Abdel Hamid Mehri, secretary general of the C.C., Algerian National Liberation Front; Khalid Bensmain, secretary general of the Movement for Democracy in Algeria; Seik Mahmud Nahnah, chairman of the Islamic Social Movement of Algeria; Francisco Disaxi, chairman of the Social Communist Party of Angola; Lopo Fortunato Ferreira Do Nascimento, secretary general of the Popular Liberation Movement of Angola; Eriya Kategaya, national political commissar of the National Resistance Movement of Uganda; Youssef Amin Wali, general secretary of the Egyptian National

Democratic Party; Klaus Riis, chairman of the C.C., Communist Party (M-L) of Denmark; Preben Moller Hansen, chairman of the Danish Workers' Party, Common Cause; Werner Schulwese, chairman of the C.C., Communist Party of Germany; Rolf Priemer and Heinz Stehr, co-chairmen of the German Communist Party; Roger Gailliez, general secretary of the Belgian Socialist Party (Vallon); Frank Baude, chairman of the C.C., Communist Party-KPML (R) of Sweden; Chairman Timo Lahdenmaki and General Secretary Heikki Mannikko of the for Peace and Socialism-the Communist Workers' Party of Finland [as received]; Blasco Hugo Fernandes, chairman of the National Direction Committee of the Democratic Intervention of Portugal; President Marrian Donnelly and General Secretary Pat Quearney of the Workers' Party of Ireland; Walter Bayer, chairman of the Communist Party of Austria; Roberto Gabriele, general secretary of the Movement for Peace and Socialism of Italy; Juan Ramos, general secretary of the Communist Party of the Peoples of Spain; Rupert Roopnarine, co-leader of the Working People's Alliance of Guyana; Llwelyn John, leader of the People's Democratic Movement of Guyana; Leslie Ramsammy, leader of the United Republican Party of Guyana; Peter Persaud, leader of the Amerindian Action Movement of Guyana; Fred Fredericks, chairman of the United Force Party of Guyana, Donald Ramota, executive secretary of the People's Progressive Party of Guyana; Terence A. Marrshow, political leader of the Maurice Bishop Patriotic Movement of Grenada; Daniel Ortega Saavedra, secretary general of the Sandinist National Liberation Front of Nicaragua; Miguel Mejia, secretary general of the United Left Movement of Dominica; Gus Hall, national chairman of the Communist Party of the United States of America; Sam Marcy, chairman of the Workers World Party of the United States; Jack Barnes, national secretary of the Socialist Workers' Party of the United States; Santiago de Onate Laborde, chairman of the National Executive Committee of the Institutional Revolutionary Party of Mexico; Rafael Aguilar Talamantes, national chairman of the C.C., Lazaro Cardenas Front Party for National Reconstruction of Mexico; Indalicio Sayago Herrera, general secretary of the National Leadership of the C.C., Socialist People's Party of Mexico; Eric Sealy, leader of the People's Pressure Movement of Barbados; Marcos Domich, first secretary of the C.C., Bolivian Communist Party; Joao Amazonas, chairman of the C.C., Brazilian Communist Party; Claudio Campos, secretary general of the October 8 Revolutionary Movement of Brazil; Pedro Ortega, president of the C.C., Communist Party of Venezuela; Chairman Gustavo Marquez Marin and General Secretary Reopoldo Puchi of the Venezuelan Movement to Socialism; Radames Larazabal, presi-

dent of the Patriotic Federation of Venezuela; Eustoquio Contreras, general secretary of the People's Electoral Movement of Venezuela; Orlando Van Amson, honorary chairman of the National Democratic Party of Surinam; Maxim Henry Willson, general secretary of the People's National Party of Jamaica; Gladys Marin, general secretary of the C.C., Communist Party of Chile; Hardial Bains, national leader of the Communist Party (Marxist-Leninist) of Canada; Vincent Cabrera, acting leader of the February 18th Movement of Trinidad and Tobago; Humberto Vargas Carbonel, secretary general of the People's Vanguard of Costa Rica; Aida Abella Esquivel, chairman of the National Leadership of the Patriotic Union of Colombia; Renan Raffo Munoz, general secretary of the C.C., Peruvian Communist Party; Alberto Moreno, general secretary of the C.C., Communist Party of Peru (Red Motherland); Guzman Rivera Castaneda, general secretary of the Revolutionary Socialist Party of Peru; Luis Mateo Munos, general secretary of the Socialist Party of Peru; Gustavo Mohme Ryona, national secretary General of the Socialist Political Action Party of Peru; Genaro Ledesma Izquieta, chairman of the People's Front of Workers, Peasants and Students of Peru; Angel Castro Lavarello, president of the National Executive Committee of the Left Revolutionary Union of Peru and chairman of the Peruvian Front for National Liberation; Tani Baler Lopera, general secretary of the National Executive Committee of the Left Revolutionary Union of Peru; Eleazar Gutarra Maravi, president of the Peruvian Nationalist Movement of Labour; Andres Regiardo Sayan, national general secretary of the "Cambio 90" Movement of Peru; Martin Soto Guevara, general secretary of the Mariateguista United Party of Peru; Julian Hunte, leader of the St. Lucia Labour Party; Holis Bristol, chairman of the United Workers Party of Saint Lucia; Riber Seregni, chairman of the Large Front of Uruguay; and Ruben Maria Vera, chairman of the March 26 Movement of Uruguay.

In the reply messages Comrade Kim Chong-il expressed deep thanks for their warm congratulations and best wishes to him on the 50th birthday of the WPK.

And he hoped that the friendly and cooperative relations between the WPK and those parties would further strengthen and develop in the future.

#### **Kim Chong-il Sends Autographed Letter to KCNA**

SK1411230695 *Pyongyang KCNA in English*  
245 GMT 14 Nov 95

["Comrade Kim Chong-il Sends Autograph Letter to KCNA" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — The great leader Comrade Kim Chong-il

sent an autograph letter on November 12 to the Korean Central News Agency (KCNA) after reading a message of pledge it had sent him.

The news is highlighted in NODONG SINMUN today.

The autograph letter reads:

"The party Central Committee appreciates with satisfaction the firm resolution of the staff of the Korean Central News Agency, propagators of the great chuche idea and outpost soldiers of the ideological front of the party, to always follow the party.

November 12, 1995

Kim Chong-il."

On November 3, Comrade Kim Chong-il learned about the work conditions of the KCNA, took relevant measures and indicated how to strengthen the news service at present. Upon hearing the news, the journalists, editors, translators and other employees of the KCNA sent a message of pledge to respected General Kim Chong-il, expressing their loyal resolution to firmly defend the ideological front of the Workers' Party of Korea with the pen of chuche.

In the message, they noted that Comrade Kim Chong-il had repeatedly expressed deep trust and expectation toward the journalists, editors, translators and other employees of the KCNA.

"Respected general, you are our great teacher and kind father. You have emerged in this turbulent century as the incarnation of affection and trust, loyalty and filial duty. With a warm heart of affection and trust in your soldiers, you have trained us newsmen as well as all other people into true revolutionaries and noble-minded people who make revolution with a loyal heart to live up to your affection," said the message of pledge.

"If we are to live a life worthy of revolutionaries, human beings and fighters with a true loyal heart to live up to your affection, we must remain loyal and devoted to you and devotedly fight for your sake. This is what we have kept as our unshakable faith while working true to your intentions," the message stressed.

In the message, the KCNA staff members vowed to exalt the KCNA forever as the news agency of the leader which venerates the great leader President Kim Il-song for all ages and defends respected General Kim Chong-il and as a torchlight of the era that leads progressive humankind as the general intends.

They also pledged to transmit chuche news items throughout the world as electric waves to inform people of the general's ideas and become outpost soldiers of the



ideological foothold who are ready to go through [words indistinct] to defend his ideas.

"We will defend and assist the supreme command with our faithful news service, will become human bombs to safeguard you and will die on your laps in line of duty. This is what we all newsmen assure you from the bottom of our hearts," the message said.

On November 1, 1990, Comrade Kim Chong-il sent a letter to the members of party cell No. 2 of the No. 5 Department of the KCNA in reply to their letter.

Upon receiving his significant autograph letter this time again, the journalists, editors, translators and other employees of the KCNA are greatly moved and excited, and they are filled with a firm resolution to follow the party forever, being conscious of their responsibility and duty as propagators of the great chuche idea and outpost soldiers of the ideological front of the party.

#### Radio Discusses Letter

SK1511050495 *Pyongyang Korean Central Broadcasting Network in Korean*  
2100 GMT 14 Nov 95

[FBIS Translated Text] The great leader [widaehan yongdoja] Comrade Kim Chong-il has sent an autographed letter [chinpil sohan] to the Korean Central News Agency [KCNA] after reading a message of pledge KCNA had sent him.

Comrade Kim Chong-il, the great leader of our party and people, sent an autographed letter to KCNA on 12 November after reading a message of pledge KCNA had sent him.

The autographed letter from the great leader Comrade Kim Chong-il reads:

The party Central Committee appreciates with satisfaction the firm resolution by you, KCNA comrades who are the propagators of the great chuche idea and the outpost soldiers of the party's ideological front, to always follow the party.

[Dated] 12 November 1995

[Signed] Kim Chong-il

At 0300 on 3 November, while people were sound asleep, the great leader Comrade Kim Chong-il learned about the work conditions of KCNA, took relevant measures, and indicated how to strengthen and develop the news service, all this despite his busy and complicated schedule because he, shouldering all the responsibilities of the revolution and construction, leads our party, our state, and our Army.

Upon hearing the emotional news that while leading the massive revolutionary cause he took care of the news service warriors, not forgetting them, the reporters, editors, translators, and other employees of KCNA sent a message of pledge to the great leader Comrade Kim Chong-il, expressing their loyal resolution to cherish deep in their hearts the incomparable pride in upholding the respected and beloved [kyongaeahanun] general as the great leader of our revolution and the great father, to always resolutely walk along the stern revolutionary road, and to firmly defend our party's ideological front with the pen of chuche.

In the message, they noted that the respected and beloved general has repeatedly expressed deep trust and expectation toward the reporters, editors, translators, and other employees of KCNA, adding: General, your heart is filled with our warriors, and you are always concerned about our warriors' joy.

They also stated they keenly realize the philosophical truth that revolutionaries can live naked and starving on a remote island, but cannot live even for a moment without the leader's political trust.

They went on to say: General, we, eyes brimming with tears, again clearly realize that you, who learn about thousands or tens of thousands of events taking place across the country or throughout the world on a single day, have been awakening yourself to the entire world with a great benevolence unprecedented in the history of mankind, moving the world with love and trust, thus winning victories in the Korean revolution and the world revolution.

Respected and beloved general, you are our great teacher and kind father. You have emerged in this turbulent century as the incarnation of affection and trust, loyalty, and filial duty. With a warm heart filled with affection and trust in your soldiers, you have trained us newsmen and all others as true revolutionaries and noble-minded people who know the revolution, love, and moral obligation.

If we are to live a life worthy of revolutionaries, human beings, and fighters with a true loyal heart to live up to your love, we must remain loyal and devoted to you and must devotedly fight for your sake. This is what we have kept as our unshakable faith while working true to your intentions.

In the message, they vowed to exalt KCNA forever as the news agency of the leader, which venerates the fatherly leader [suryongnim] for all ages and defends the respected and beloved general as a torch of the era that leads progressive humankind as the general intends.

They also stated that filling this planet and the entire universe with the general's great ideas and moving the earth with the general's noble virtue and trust was their ideal, adding that they would transmit *chuche* news items throughout the world as electric waves to inform people of the general's ideas and to become outpost soldiers, an ideological foothold who are ready to go through fire to defend his ideas.

In the message of pledge, they noted a need to make KCNA, both in name and reality, into a great banner representing the general's ideas and leadership as well as a group that will climb any rugged mountain and cross any burning river in hearty response to the general.

The message stated: Resolutely defending and assisting the supreme command with our news service; becoming royal guards who protect you, general, by becoming human bombs; and dying on your lap in the line of duty is the passionate determination of all our news service warriors.

Our KCNA officials, who are your family members, your sons and daughters, will abide by the philosophical truth of love and trust that you established in the our hearts as the pillar of our lives, and will gloriously emerge as a great unit of loyalists who fulfill not only their duty as warriors but their duty as people, sons and daughters, as well as an ideological fortress that resolutely defends you, respected and beloved general, under any difficult circumstance.

In the message of pledge, they stated: Neither we, the fatherland, or nation exists without you, general. They sincerely wished you, respected and beloved General Kim Chong-il, the supreme incarnation of love and trust and the greatest man in the world who unites all people with moral obligation, a long life and good health.

The great picture of boundless trust for the warriors and their boundless loyalty toward the leader, a picture that following the first year of the 1990's unfolded again in the history of our party, clearly shows the revolutionary ranks' harmonious unity which is being highly displayed in the new historic era, when the *chuche* revolutionary cause, which was cultivated on Mt. Paektu, is being inherited and completed fully.

On 1 November 1990, the great leader Comrade Kim Chong-il sent a letter to the members of Party Cell No. 2 of the No. 5 Department of KCNA in reply to their letter. Upon receiving his significant autographed letter this time again, all reporters, editors, translators, and other employees of KCNA were greatly moved and excited as well as filled with a firm resolution to follow the party forever, being conscious of their responsibility

and duty as propagators of the great *chuche* idea and outpost soldiers of our party's ideological front.

#### **Kim Il-song Registered as Honorary Farmer**

*SK1511100395 Pyongyang KCNA in English  
0847 GMT 15 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — A meeting was held on the Wanhwa cooperative farm in Pyongwon County, South Pyongan Province, on Tuesday to mark the 40th anniversary of the great leader President Kim Il-song's registration as an honorary farmer.

President Kim Il-song visited the newly-founded agricultural cooperative on November 15, 1955. At that time he said that he was a member of the cooperative. Afterwards, he took good care of the management of the farm and the livelihood of the farmers scores of times.

The great leader Comrade Kim Chong-il has become an honorary farmer of the farm. He visited the farm several times and energetically led the farmers to always take the lead in agricultural production. The farm was awarded the order of Kim Il-song and twice the three-revolution red flag.

So Yun-sok, Politburo member of the Central Committee of the Workers' Party of Korea, chief secretary of the South Pyongan Provincial Committee of the WPK and chairman of the South Pyongan Provincial People's Committee, also gave a report at the meeting.

The reporter said that the on-the-spot teachings of President Kim Il-song and the highly important tasks given to the farm by Comrade Kim Chong-il during his on-the-spot guidance to the farm should strictly be implemented to build up the farm into a socialist modern rural village and discharge the mission of agricultural workers responsible for the nation's granary.

#### **Opera Shows 'Truth of Revolutionary Struggle'**

*SK1411094695 Pyongyang KCNA in English  
0739 GMT 14 Nov 95*

["Classic 'The Flower Girl' Giving Truth of Revolutionary Struggle" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — NODONG SINMUN today carries an article upon the lapse of 65 years since the first performance of the immortal classic "The Flower Girl" created by the great leader President Kim Il-song in the early period of the anti-Japanese revolutionary struggle was given in November 1930.

The masterpiece is one of model works which marked the beginning of the development of *chuche*-based

literature and art in Korea and is also a valuable treasure which is a cornerstone of the tradition of revolutionary literature and art.

The paper quotes the great leader Comrade Kim Chong-il as saying:

"The revolutionary opera 'The Flower Girl' shows through the life of Kkot-pun and her family the features of exploiting society where they were forced to serve a landlord through generations for the debt, two sacks of millet."

The paper says:

President Kim Il-song, deeply aware of the weighty importance of literature and art in awakening and educating the masses from the days when he started the revolution, began writing the play "The Flower Girl" when he was in Jilin and made several rehearsals. Its first public performance was given on the 13th anniversary of the October revolution, deeply moving the audience.

The revolutionary opera "The Flower Girl" adapted from the play raises the question of independence, the most crucial matter in shaping the life and destiny of man, and the question of independent man, and gives profound philosophical answers to them.

Its ideological and artistic value and importance in awakening and educating the people find expressions not only in that it vividly shows the misfortune of those bereft of independence but in that it gives in a profound philosophical way the truth of revolution that the oppressed people can achieve independence and enjoy a worthwhile life only through revolution.

The opera also gives a vivid depiction of the essence of the unequal and inhuman exploiting society and the nature of the exploiting class through the unhappy life of Kkot-pun's family and the greedy life of the landlord.

The paper further says:

The great leader Comrade Kim Chong-il who has defended and glorified the glorious revolutionary tradition of chuche-based literature and art, has wisely guided the efforts for novelizing, cinematizing, operatizing and dramatizing immortal classics created by President Kim Il-song in the period of the anti-Japanese revolution.

Thanks to the distinguished intelligence and energetic leadership of respected General Kim Chong-il, "The Flower Girl" was successfully operatized to win great popularity.

He said it is the core of the revolutionary opera that flowers of sadness and filial duty become flowers of

struggle and revolution, and indicated the concrete ways of depicting the core.

"The Flower Girl," which fully embodies the immortal chuche idea, is really a great masterpiece of the century.

### **Symposium Marks 3-Revolution Red Flag Movement**

*SK1511045695 Pyongyang KCNA in English  
0408 GMT 15 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 15 (KCNA) — A national symposium was held here on Tuesday [14 November] to mark the 20th anniversary of the start of the Three-Revolution Red Flag Movement, ideological, technical and cultural.

The great leader Comrade Kim Chong-il in November 1975 initiated the Three-Revolution Red Flag Movement, which is a developed form of the Chollima Work-team Movement which had been conducted in Korea in line with the great leader President Kim Il-song's idea of mass movement. Since then, he has wisely guided the movement to meet a new requirement of the three revolutions, ideological, technical and cultural.

Present at the symposium were Pak Song-chol, member of the Political Bureau, the Central Committee of the Workers' Party of Korea and vice-president, and others.

The symposium pointed to the immortal exploits of Comrade Kim Chong-il, who has wisely led the Three-Revolution Red Flag Movement in the past twenty years. It stressed that through this movement our revolutionary ranks have become invincible ranks with the leader, the party and the masses in perfect harmony and the socialism of our style is demonstrating to the whole world its might as a socialist fortress which is dignified for independence, powerful in self-sustenance and invincible with self-reliance in defense.

The speakers said that the Three-Revolution Red Flag Movement is a communist mass movement of the highest form which broke the new ground in the history of the mass movement in Korea, and is a powerful movement to organize and mobilize the masses for the implementation of our party's general line of building socialism and communism.

They emphasized that all the party members and working people should strengthen and develop the Three-Revolution Red Flag Movement under the leadership of Comrade Kim Chong-il, upholding the red flag of revolution, and thus cement our singlehearted unity as firm as a rock, effect a new turn in socialist construction and make their country, their motherland more prosperous.



**Power Industry Official on Electricity Output**

SK1511000295 *Pyongyang Korean Central  
Broadcasting Network in Korean*  
2100 GMT 13 Nov 95

[FBIS Translated Text] Workers of the various power plants under the Ministry of Power Industry are properly increasing power production with a single-hearted desire to further glorify my country, my fatherland. Central Broadcasting Reporter Kim Mi-ok met with Chu Tong-il, vice minister of the Ministry of Power Industry.

[Kim Mi-ok] Recently, workers of various power plants under the Ministry of Power Industry have gained great achievements in power production, have they not?

[Chu Tong-il] Yes. Taking pride in greeting the 50th anniversary of the party's founding with the grand festival of victories, workers of the various power plants under the Ministry of Power Industry continue making achievements in power production. According to the data, beginning in November, workers of hydroelectric power plants have been overfulfilling the daily target assigned to them by 1.5 percent. Workers of hydroelectric power plants have vigorously struggled to increase power production with the same amount of water by working out facility and technology management, accepting the various reasonable operational methods.

As with all hydroelectric power plants, the workers of the Hochongang Power Plant are overfulfilling the power production target by 5.4 percent this month in comparison to last month.

The Kanggye Youth Power Plant overfulfilled its target by 4.6 percent. Workers of the Pujongang and Changjagang Power Plants overfulfilled their daily target by 3 percent. In addition, based on various technological measures, workers of thermal power plants across the country are increasing power production by working out facility repair plans and by contributing basic efforts to managing the facility.

Workers of the Pukchang Thermal Power Complex are normalizing power production at 130 percent by operating all generators at full capacity as compared with the same period last month. In addition, workers of the youth thermal power plant are vigorously struggling to guarantee hot water for heating water-supply systems in Pyongyang, along with a struggle to increase production.

In the future, too, we will thoroughly implement the fatherly leader's [suryong] behest by increasing power production. Also, we are resolved to firmly keep my fatherland and to eternally glorify it under the chuche socialism, as befitting to the fighter of the great leader

[suryong] and the sons of the great general [widaehan changgun].

**Trade Union Federation Inauguration Welcomed**

SK1411051095 *Pyongyang KCNA in English*  
0303 GMT 14 Nov 95

["NODONG SINMUN Welcomes Inauguration of Minjunochong in S. Korea" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — All the fellow countrymen have warmly welcomed the inauguration of the National Federation of Democratic Trade Unions (Minjunochong), an independent organization of workers, in South Korea on November 11, says NODONG SINMUN in a commentary today.

With Minjunochong inaugurated, the South Korean workers have had an independent organization for defending their rights to democracy and interests, the paper says, and continues:

The inauguration of Minjunochong is a product of the South Korean workers' bloody struggle.

Since the June popular resistance in 1987, they had continuously struggled against the "government"-controlled General Federation of Trade Unions and for the formation of their independent organization. As the result of their hard struggle, Minjunochong was formed so that the South Korean workers can invigorate the struggle to have their vital demand met, achieve independence against outside forces and realise democracy of society and reunification of the country.

It is only too natural that the South Korean workers formed Minjunochong to defend their rights and interests.

The Kim Yong-sam group, however, is suppressing the just-inaugurated organization at the point of bayonet, calling it "an illegal organization."

They must stop fascist suppression of Minjunochong, conscious that it will result only in precipitating their doom.

All the fellow countrymen believe that Minjunochong, which was formed by the struggle for independence, democracy and reunification, will conduct activities in conformity with its mission, as it pledged.

# **National Seminar of Financial Functionaries Held**

*SK1411055395 Pyongyang Korean Central  
Broadcasting Network in Korean  
2200 GMT 13 Nov 95*

[FBIS Translated Text] A national seminar of financial management functionaries on their experiences of financial management was held at the People's Palace of Culture on 13 November. Present at the seminar were the functionaries of the relevant sector including Finance Minister Yun Ki-chong, functionaries of plants and enterprises from various places, and exemplary financial management functionaries.

Presented at the seminar were the successes and experiences attained in the struggle to implement the programmatic tasks set forth in "The Policy on Daily Production and Financial Summation" by the great leader Comrade Kim Chong-il and in his immortal classic work "On Improving and Strengthening the Work of Financial Management."

The speakers noted that the justness and vitality of the policy of daily production and financial summation, a unique mass-oriented enterprise management system of our own style which excellently embodies our party's chuche idea and mass line, have been thoroughly confirmed through practice over the last 25 years.

The speakers noted that under our party's wise leadership the system of daily production and financial summation has been smoothly implemented, bringing forth an upturn in the socialist financial management work.

Hong Yong-kil, manager of Pyongyang Seasonings Plant, introduced his experience in successful production, such as the production of some 30 kinds of 3 August people's consumer goods by utilizing all the by-products, which used to be thrown away in all the work sites, while deepening the daily production and financial summation work.

The participants were moved by the presentations by Choe Chun-ki, section chief of the Kangso District Administrative and Economic Committee, which contributed to enhancing the life of the residents in the area by highly displaying the superiority of the local budget system; Kim Che-man, section chief of the Kanggye Youth Power Station and Yi In-ok, manager of Mundok Fruit Processing Plant, which aroused the revolutionary zeal and creativity of the producing masses and intensified the mass-oriented technological innovation movement to excellently carry out the people's economic plan and financial plan for the past 20 years; and Kim Han-pok, director of a department of the Yongsong Machinery Complex General Bureau, which is effecting innovation in the production of facilities.

No Mun-pong and Sok Sun-pok, managers of the Wonsan and Kim Chaek branches of the Central Bank presented their experiences of helping improve the managerial activities of plants and enterprises and the local economy through effective control with won. Yang Yong-sop, section chief of the Pyongyang Loading and Unloading Unit; Kim To-su, head of the High-Speed Tunneling Platoon of the Hungyong Coal Mine; and Son Son-ae, section chief of the Kyongamsan Export Clothing Plant, presented their experiences in conducting daily production and financial summation in combination with the labor struggle for production increase.

The participants were also moved by the presentations by Kim Tae-pok, manager of Kusong District Wholesale Station, which overfulfilled the distributional plan for the past 25 years and gave the country much profit; Kim Kyong-sik, book keeper of the Western District Supply Station of the Supplies Management Station of the Metal Industry Ministry, which looked after the work and life of miners by itself; and Han Tae-son, secretary of the primary party committee of the plant where Comrade Yon Chang-chun works, which intensified the party guidance to efficiently carry out financial management work.

The speakers vowed to thoroughly implement our party's independent financial policy so as to contribute to accelerating production and construction and defending, adhering to, and add further luster to our-style socialism centered on the popular masses.

# **'Great Progress' Made in Coal Production**

*SK1411143695 Pyongyang KCNA in English  
0752 GMT 14 Nov 95*

[FBIS Transcribed Text] Pyongyang, November 14 (KCNA) — Great progress is being made in coal production through a vigorous drive at coal mines of Korea.

The Tokchon area coal complex concentrated on tunnelling, so that capital tunnelling rate rose 20 percent, preparatory tunnelling rate 30 percent and coal output 40 percent every day over the last week.

Especially, the Sochang youth, Hyongbong and Wolbong coal mines introduced new blasting methods and operated the tunnelling equipment at full capacity, with the result that daily tunnelling and coal production are these days more than 40 percent higher than those of last month.

The Namjon coal mine tap all reserves and potentials to increase the production 20 percent, 50 percent at maximum, every day above last month.

The Pukchang area coal complex developed new pits, promoted the capacity expansion projects at the existing pits and created a new production capacity of more than 500,000 tons.

The Anju area coal complex is developing a modern pit with a production capacity of hundreds of thousands of tons and increasing the coal production.

### **South Korea**

#### **U.S. Announces 'Suspension of Consular Services'**

*SK1511053195 Seoul YONHAP in English*  
*0519 GMT 15 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — The United States Embassy here announced Wednesday an indefinite suspension of consular services, including processing of visa applications, due to the shutdown of the U.S. Federal Government.

The United States Information Service (USIS) said, in a press release, that "All visa interviews previously scheduled for after Nov. 15 have been cancelled."

The statement said that resumption of visa interviews will be announced at a later date, adding that "The embassy will make every effort to return as quickly as possible passports to persons whose visa applications have already been approved."

A reduced consular staff, however, will be available to deal with emergency needs including American Citizens Services, according to the statement.

"To the extent that the reduced staffing permits, the embassy will also attempt complete action on visa applications and passports already submitted," it said.

The embassy regretted the inconvenience the suspension of consular services causes to American citizens and the Korean public.

#### **Plane Manufacturers Lobby To Join Project**

*SK1511024695 Seoul YONHAP in English*  
*0157 GMT 15 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — American and European aerospace manufacturers are competing to participate in the proposed joint project between South Korea and China designed to develop and produce their own medium-size aircraft models, business sources said Wednesday.

Sources at Samsung Aerospace Industries Co. and Korean Air, representing the South Korean participants of the project, said that high-level government officials of third-party countries as well as senior managers of aerospace firms are making efforts to participate in the

venture to make aircraft models each with a capacity of about 100 passengers.

British Prime Minister John Major recently sent a letter to Seoul related to the aircraft project explaining the advanced technology of the European Union (EU) and its willingness to transfer technology to South Korea.

French President Jacques Chirac also conveyed the French position for the aerospace task at his meeting with South Korean President Kim Yong-sam in New York October 23, when they visited the United Nations to commemorate its 50th anniversary.

Louis Gallois, chairman of Aerospatiale Avions, France's state-run aircraft manufacturer, visited South Korea in early October and met Vice-Minister Pak Un-so of the Ministry of Trade, Industry and Energy to express the intention of the EU to participate in the project, with U.S. firms also actively conveying their willingness to help South Korea and China develop their own aircraft models.

McDonnell Douglas Chairman John F. Macdonnell [name as received] also paid Seoul a visit in early October to meet Korean Government and business figures, while senior officials of Boeing journeyed here last September to present their draft cooperation measures.

Industry sources expect that more than 3,000 medium-size aircrafts will sell worldwide for the next 20 years.

#### **North Said To Use Pouches for Drug Trafficking**

*SK1511114095 Seoul YONHAP in English*  
*1126 GMT 15 Nov 95*

[FBIS Transcribed Text] Moscow, Nov. 15 (yonhpa) — North Korea has actively been trafficking narcotics lately taking advantage of diplomatic pouches, the Russian daily CEVODNIYA (TODAY) reported Wednesday.

To oversee the stepped up illegal narcotics dealings, North Korea has set up a special office at the Workers' (communist) Party called "Workers' Party Room No. 39," it said.

The intensified narcotics trafficking, it said, is to raise foreign exchanges badly needed to finance rehabilitation of the damages caused by last summer's extensive floods.

The "Party Room No. 39" has branches at almost all North Korean diplomatic and economic missions abroad.

The daily said that North Korea started to expand narcotics cultivation in the early 1990s.



In 1993 alone, an herb medicinal plant in the border area of North Hamgyong Province produced about 100 tons of narcotics worth 100 million dollars, it added.

#### **North Moves To Destroy Armistice Regime**

*SK0811051495 Seoul NAEWOE TONGSIN in Korean 2 Nov 95 pp A1-A4*

[Article: "North Korea's Move To Destroy the Armistice Regime Has Taken Many Forms"]

[FBIS Translated Text] North Korea, which has been pursuing a peace agreement with the United States for the past 20-odd years, has recently diversified its tactics to destroy the current armistice regime, thus attracting the people's attention.

Concerning the "Foal Eagle-95" joint military exercise by the ROK and the United States, a spokesman of the North Korean Foreign Ministry on 18 October announced a "press statement" and alleged that "if the United States continues advancing along the road of aggravating tensions, North Korea has no choice but to take steps to liquidate at its roots the outdated armistice regime, a major factor contributing to the unstable situation on the Korean Peninsula." Thus, North Korea has undisguisedly revealed its intent to destroy the armistice regime.

As North Korea's "press statement" was released the very next morning of the day (dawn of 17 October) when the infiltration of North Korea's armed agents into the west frontline took place, it aroused people's attention. Seeing that this incident is a wanton violation of the Armistice Agreement, which specifies the mutual prohibition of hostile activities, people suspect that North Korea must have provoked this incident as part of "steps to liquidate the armistice regime at its roots" as discussed in the "press statement" by the North Korean Foreign Ministry spokesman.

The North Korean side refused to receive the letter of protest sent by the UN Command on the afternoon of that day, claiming that "it cannot receive a letter related to the Armistice Agreement."

North Korea, which intentionally violated the Armistice Agreement with the incident of infiltrating armed agents, has now refused discussion of the incident itself. This is a new development compared to the past practice of North Korea, which in the past simply denied violations of the agreement. It is observed that North Korea has deepened and expanded its tactics in a step-by-step manner to gradually incapacitate and destroy the armistice regime.

First, one of its tactics is to destroy the armistice organization.

Last year, North Korea withdrew the North Korean Army delegation from the Armistice Commission on 28 April and the Chinese People's Volunteers delegation on 28 October, and thus began to incapacitate the armistice regime.

This year North Korea forced the Polish delegation to withdraw from the Neutral Nations Supervisory Commission [NNSC] on 28 February, and following this North Korea took steps to shut down the NNSC office building and ban entry into the Joint Security Area on the North Korean side on 3 May, thus completing destruction [pagoe] of the communist side of the Armistice Commission and its related organizations.

#### **Destruction of Armistice Regime Through Infiltration of Armed Spies**

Second, the DPRK is carrying out a diplomatic offensive to destroy the armistice organizations on the UN Forces side.

In a Foreign Ministry statement dated 28 April last year, North Korea formally proposed a peace agreement with the United States. Since then, North Korea has begun intensifying its diplomatic offensive in the international arena in an attempt to destroy the armistice organizations on the UN Forces side.

Last year North Korea established its "Panmunjom mission." At the same time, it sent a letter to the United Nations in the name of Foreign Minister Kim Yong-nam and asked for its cooperation for the establishment of the so-called new peace regime. This year North Korea announced "the Foreign Ministry Memorandum" on 29 June, and sent an official letter to the United Nations on 3 July to demand dissolution of the UN Forces Command and lowering of the UN flag. North Korea also demanded that the United Nations take a step to call back the UN Forces Command, thus intensifying its offensive.

North Korea, attending as a member state in the 11th Summit Conference of the Nonaligned Countries held in Colombia from 18 October, claimed that "for the guarantee of peace on the Korean Peninsula, there are issues that should be resolved between North and South Korea and there are also other issues that should be resolved between North Korea and the United States," thus calling for conclusion of the peace agreement with the United States.

Leading a large delegation, North Korean Vice President Pak Song-chol attended this conference and carried out an all-out campaign in an attempt to include "the article on the Korean Peninsula" in the resolution of the summit conference with the purpose of calling

for the peace agreement with the United States. However, his attempt failed. Rather, the resolution, going counter to the intention of the North Korean side, supported the Korean people's efforts to reunify the nation based on the principle specified in the North-South joint statement issued on 4 July 1972 and the North-South Agreement announced in December 1991. In addition, the resolution urged the North Korean side to cooperate for implementation of the U.S.-DPRK Geneva Agreement, which called for North-South dialogue, and to cooperate for activities of the International Atomic Energy Agency to inspect North Korea's nuclear program.

Third, the DPRK is carrying out tactics to link the issue of a peace agreement with the U.S.-DPRK Geneva Agreement.

In a press statement released by a Foreign Ministry spokesman on 12 May, North Korea has formalized linkage of implementation of the U.S.-DPRK framework agreement with the DPRK-U.S. peace agreement. Since then, whenever North Korea has demanded conclusion of the peace agreement, it has taken the U.S.-DPRK framework agreement hostage and threatened that it may not implement it. Marking the first anniversary of conclusion of the U.S.-DPRK agreement on 21 October 1994, NODONG SINMUN, the organ of the Workers Party, and the central broadcasting network on 20 October 1995 called on the U.S. side to conclude the peace agreement by linking implementation of the framework agreement with the issue of a peace agreement.

#### **The "New Peace Regime" Aims to Exclude the ROK**

By announcing a statement, the Committee for the Peaceful Reunification of the Fatherland, a vanguard organization against South Korea, condemned the Foal Eagle-95 joint military exercise by the ROK and the United States as an "undisguised violation of the DPRK-U.S. framework agreement" and urged the United States to respond to North Korea's proposal for establishing "a new peace regime."

North Korea's nuclear negotiations with the United States are aimed at solving its economic difficulties by acquiring practical economic interests, including the provision of light-water reactors and heavy oil, as well as relaxing economic sanctions. It is generally believed that North Korea carried out DPRK-U.S. nuclear negotiations based on its strategy for national reunification by communizing South Korea through conclusion of the DPRK-U.S. peace agreement.

Therefore, it is considered highly likely that North Korea will carry out a major confrontation by playing a

final card to carry through its bid for a peace agreement with the United States through violation of the U.S.-North Korean agreed framework, such as by rejecting the special inspections and resuming operation of frozen nuclear facilities.

Finally, North Korea aims to force the United States to deal directly with it.

This intent of North Korea is clearly revealed when, following the infiltration by its armed spies, North Korea issued a Foreign Ministry spokesman's press statement (on 18 October) strongly denouncing the United States for not responding to its offer of "general-grade officers' talks," which it claimed the United States had agreed to, for the establishment of a new peace mechanism.

North Korea refused to receive the protest letter of the U.N. Forces Command, which was to be delivered in connection with the North Korean violation of the Armistice Agreement by its dispatch of armed spies, and North Korea rejected the convocation of a meeting of the Military Armistice Commission (MAC). This leads us to conclude that North Korea committed the incident to eliminate the existing armistice regime so as to induce and force a direct deal with the United States, such as the "general-grade officers' talks."

The so-called U.S.-North Korean general-grade officers' talks (described in the Foreign Ministry press statement) refers to the talks related to the agreement reached between the U.S. Deputy Assistant Secretary of State (Hubbard) and the North Korean side to "maintain a proper form of military contact" (according to the joint press statement) when the former visited North Korea to resolve the incident of the U.S. military helicopter crash-landing in North Korea toward the end of 1994 (12 December 1994).

Whereas the UN Forces Command regards this "military contact" as a contact "within the framework of the MAC" and rejects a separate general-grade officers' contact outside the MAC, the North Korean side considers it to be direct U.S.-North Korean "general-grade officers' talks" and is using it for its tactic of paralyzing the armistice regime.

While persistently pursuing direct U.S.-North Korean negotiations, North Korea is reported to have recently proposed a "new peace mechanism" that under the premise that the U.N. Forces Command is disbanded but that North Korea does not object to the stationing of U.S. Forces in the ROK, the United States and North Korea will form a Mutual Security Consultative Committee, and when this committee is ready for operation, the North-South Joint Military Committee (stipulated in the 1991 North-South Agreement) will be

held. The North Korean scheme to distort the security structure on the Korean Peninsula through a direct deal with the United States is also revealed in the keynote speech by the North Korean delegate Choe Su-hon (vice foreign minister) at the 50th UN General Assembly (11 October) and his speech at the Nonaligned Summit.

The North Korean scheme is supported by the North Korean claim through its central broadcast (18 October) that "the peace mechanism between the North and the South has virtually been provided through documents (North-South Agreement)" and that all that is necessary is to implement it precisely.

North Korea has reportedly put forth this proposal for a "new peace mechanism" and is actively waging a diplomatic offensive, conducting an "influence-buying operation" by inviting noted figures from the United States and explaining the North Korean plan to them.

However, the "new peace mechanism" proposal is considered to be a mere tactical variation of the North-proposed three-way talks between North Korea, South Korea, and the United States (10 January 1984) in which North Korea called for a declaration on nonaggression between the North and the South and a U.S.-North Korean peace agreement.

The North Korean scheme is considered a deceptive tactic aimed at rejecting "the principle of the parties concerned between North and South Korea" and at forcing the U.S. Forces out of the ROK step-by-step.

#### **WPK To Further Tighten Control**

SK0911124495 *Seoul VANTAGE POINT in English*  
Oct 95 Vol 18 No 10, p 7-8

[Unattributed article: "Workers' Party in 50th Year: Control Over Citizens To Be Tightened Further"]

#### **[FBIS Transcribed Text] No Policy Change in Sight**

Will North Korea ease its tight control over its citizens and open up its doors to help bail out of the collapsing economy? An answer to this question came in a paper reportedly presented by Kim Chong-il, son of the deceased North Korean dictator Kim Il-song and heir apparent, on Oct. 2 and in an editorial based on Kim's paper and carried Oct. 10 jointly by the organs of the Workers' Party, the People's Army and the League of Socialist Working Youth. There can be no change in the guiding principle of North Korean policies laid down by Kim Il-song, the editorial indicated, saying, "Our Party and our people will pass on faithfully the ideology and achievements of Great Suryong (Leader), Comrade Kim Il-song, uniting behind the Central Committee of the Party...."

Instead of easing the dictatorial grip on its citizens, North Korea will apparently tighten the Party's dictatorial control as indicated by Kim's paper titled, "The Workers' Party of Korea Is Great Suryong (Leader), Comrade Kim Il-song's Party." Stressing the need for "unity of the Leader, the Party and the masses," the paper said, "The Leader is the command tower in the revolution and the Party is a political organization to back up and implement the Leader's ideology and leadership." Most important is the monolithic nature of the Leader's ideological and leadership system, it added.

North Korea's open-door policies, if any, will most likely remain nominal, unless it discards the principle of Chuche—self-reliance in ideology, politics, economic activities and national defense, and reduces the role of the Party, which the paper claims has never made a mistake in ruling North Korea. "We must strengthen our Party, which is the organizer and the guide of all of our successful programs," the paper said. Also, the editorial stressed the Party's leadership role, calling for "unconditional obedience to its decisions and instructions, and for strengthened revolutionary discipline under which all Party members and organizations behave uniformly following the leadership of the Party Central Committee."

The unification of Korea will continue to be Pyongyang's "sacred" task. "All Koreans, whether they are in the North, or in the South, or abroad, must exert their best efforts to attain the unification of the fatherland, uniting behind the pan-national cause and defeating all divisive elements within and without," the editorial said. While stressing Pyongyang's intention to develop closer ties with foreign revolutionaries, the editorial repeated the North Korean rhetoric: "We will unite with the people in all countries, who uphold the principle of independence."

But the editorial's mention of unification and relations with foreign countries was brief, indicating that solutions to domestic problems are urgent, as evidenced by the main theme of the editorial: the unity of Party members, military personnel and workers under the Party leadership. Of course, unity may help North Korea solve some of its problems, including serious food shortages and the slumping economy, but a policy shift will apparently be more desirable as a remedy, as viewed by many North Korea watchers in Seoul.

#### **Professor Discusses Oligarchic Rule in North**

SK0911114495 *Seoul VANTAGE POINT in English*  
Oct 95 Vol 18 No 10, p 11-14

[Interview with Kim Hak-chun, chairman of the Board of Trustees at Danguk University in Seoul, with uniden-



tified interviewer; place and date not given: "North Korea Is Ruled by Oligarchy" — first paragraph is VANTAGE POINT introduction]

[FBIS Transcribed Text] Prof. Kim Hak-chun, 52, won his Ph.D from the University of Pittsburgh in the United States. A former professor of political science at Seoul National University, he now chairs the Board of Trustees at Danguk University in Seoul. His publications in English include "Korea's Relations with Her Neighbors in a Changing World" (Elizabeth, N. J.: Hollym International Corp, 1993). — Ed.

Question: The Workers' Party marked its 50th founding anniversary, with its top post, general secretary, remaining still vacant despite Kim Il-song's death 15 months earlier. The Pyongyang media have repeatedly called for unity behind the Party Central Committee, while North Korea has yet to signal when the anointed prince Kim Chong-il will assume formal succession. What is your opinion of Pyongyang's power structure in the future ?

Answer: Kim Chong-il, son of deceased North Korean dictator Kim Il-song, has virtually ruled North Korea for more than two decades as the indisputable successor of his father. The senior Kim's death in July last year opened the junior Kim's era. Shortly after Kim's death, the junior Kim began to be called "supreme leader" of the Party, the government and the military.

There seems to be no obstacle in Kim Chong-il's path as the successor-designate. The junior Kim has been groomed as the sole successor to his father for more than 20 years, since February 1974. Pyongyang's theories to justify the dynastic power succession were designed to persuade the North Korean people. North Korea has reorganized partially the Party offices and revised the constitution twice, for the father-to-son power transfer plan. Junior Kim's supporters have been in charge of major offices of the Party, the government and the military. Moreover, an estimated 1.5 million people have been given privileges because of the dynastic power succession plan.

Kim Chong-il, however, lacks the charisma his father enjoyed. The possibilities are high that North Korea is under an "oligarchical leadership" with Kim Chong-il at the top. Under that ruling formula, the role of the Party is more important than that of leadership of the top leader, like the Suryong in North Korea. The future of North Korea will hinge on the harmony of the ruling group. Accordingly, the future status of Kim Chong-il depends on his ability to control this oligarchy.

[Question] What were the characteristics of the functions held to celebrate the Party's founding anniversary this year?

[Answer] The celebrations for the birthday of the Party this year were mostly dominated by a military atmosphere, highlighted by a military parade in downtown Pyongyang and a reshuffle of top military offices. North Korea did not hold a "Central Report Meeting," which had been one of main functions for the anniversary in the past. Some Pyongyang watchers say that these developments may indicate North Korea is ruled not by the Party but the military. Kim Jr. has visited many military units after his father's death in an apparent move to win support from the army.

Kim Chong-il now rules the country by using his military titles, that is, chairman of the National Defense Commission, supreme commander of the People's Army and marshal. This means the Communist country is under military rule. Under such circumstances, it will be natural that the functions of the anniversary as well as other national celebrations are dominated by a military atmosphere.

[Question] When Pyongyang rewrote its constitution in 1972 to create the government offices of the president and the Central People's Committee endowed with the highest state power, some North Korea watchers in Seoul said that the measure weakened the role of the Party. What is your opinion of this matter?

[Answer] In its early years, North Korea, like other Communist countries, was ruled by the dictatorial rule of a Communist party, that is the Workers' Party. But since Kim Il-song had no rival in the early 1960s, the Workers' Party was degraded into Kim's private ruling tool. Kim established his monolithic rule in a constitutional amendment in 1972, making himself state president and chairman of the Central People's Committee. Some Pyongyang watchers view these actions as a power shift from the Party to the government.

As some analysts point out, the changing situation at home and abroad might require an increased role to be played by technocrats, rather than the "revolutionaries" in the Party for Kim's efficient state management. He might need his title as state president to build up his image as a leader of the Third World. The offices of the state president and the premier might be necessary for Kim, who had been premier before the 1972 constitutional amendment, to deal with South Korea which has both offices, on a equal footing. But a more fundamental factor might be his plan to pass down all power to his son Chong-il. Kim apparently intended to place the Party under his son's control, while he himself was in control of the government whose role was further reinforced. In short, the role of the Party has been decided by that of the two Kims.

[Question] Are there any developments [words indistinct] trade zone in December 1991, and has since rewritten or enacted joint-venture laws and their enforcement decrees to lure foreign capital. Until 1992, but not now, North Korea had been positive in the inter-Korean talks and in gaining economic assistance from South Korea, its archrival. Kim Il-song had most likely revised the constitution to make efforts to reform and an opening [as published]. Some "teachings" left behind by Kim also indicate reforms are to take place. His son's aids are somewhat oriented toward reform and open-door policies. Sometimes, Kim Chong-il himself has shown moves in that direction.

Recently, however, the North Korean ruling elite seems to be worried about these reforms. They regard economic aid from the West as a "carrot with poison" and as "Trojan Horse" which could cripple their authoritative ruling system. A thesis, which was presented by Kim Chong-il last November under the heading, "Socialism is Science," indicates Pyongyang's distaste for any change, while accenting the "superiority of our-style of socialism." Such fears will apparently keep North Korea from making any further steps toward reform and an opening.

But there seems to exist differences between North Korean rulers regarding policy lines. On one side there are the reformists, or doves, who seek change through reforms, active international cooperation and improved relations with the South, and on the other side there are hawks who favor confrontation, a military build-up and strengthened ideological indoctrination. The doves held dominant positions from the late 1980s to 1992, but thereafter the hawks seem to dominate the reformists.

[Question] What will be the option chosen by Pyongyang, if any, for success in any reforms and an opening-up?

[Answer] Apparently, Pyongyang has been interested in the Chinese-style reforms which introduced a market economy while maintaining socialism under the leadership of the Communist Party. But the hawks in the Pyongyang hierarchy are reluctant to choose that formula because they worry about unrest among the North Korean people, who have been totally isolated from outside information.

Pyongyang is expected to open its doors partially. It will probably focus its diplomatic efforts on mending fences with Washington and Tokyo, in a bid to get economic aid necessary to bail itself out of its sinking economy. Pyongyang's policymakers seem to believe the normalization of diplomatic ties with capitalist countries is the first step to be taken to end its global isolation and ensure its survival. If North Korean

ideologists revise the Chuche (self-reliant) idea, the inflexible national philosophy that has ruled the country for decades, and apply it to changed circumstances in this post Cold War era, they may be successful in their reforms and open-door policies. But they will not discontinue their anti-Seoul stance, even though they know South Korea is the only country which will give the most benefits to them.

[Question] Is there any possibility of civilian insurrection against the Pyongyang regime in the near future?

[Answer] It is true that the North Korean people live in a miserable situation. But the poor living conditions might be more or less tolerable to the North Korean people because they are accustomed to them, highlighted by shortages of food and other daily necessities. They have been taught to think they are living in much better conditions today than the days when Korea was under Japanese colonial rule and the days during the Korean War. They are also trained to think their living conditions, though unsatisfactory, are inevitable because their country has to maintain its military strength in preparation against an "attack from the South." There is also not any longer ideology in the North which can replace the Chuche idea. At least for the time being, the chances are slim for such a civilian insurrection.

[Question] North Korea is still ruled by Kim Il-song's teachings, called "Yuhun," while its top offices still remain unoccupied for more than a year. How do students of political science explain the unprecedented ruling system of the world's most reclusive country?

[Answer] In the social sciences, "methodological exceptionalism" has been applied in studying Communist societies. But that can hardly explain Pyongyang's ruling system because North Korea is absolutely an "abnormal" state. I think the case of North Korean politics is an "exception among exceptions," which cannot be explained by standard political methodology. "Yuhun" in North Korea must be regarded as a new style of politics.

#### **Drop in N-S Trade Due to Reduced North Exports**

SK1411145595 Seoul CHOSON ILBO in Korean  
14 Nov 95 p 10

[FBIS Translated Text] The National Unification Board [NUB] announced on 13 November that the amount of North-South trade during the month of October was \$13.57 million, showing a 31.1 percent decrease from \$19.71 million during the month of September and a 34.6 percent decrease from \$20.75 million in the same month last year.

Of this figure, the amount of imports from North Korea was \$10.05 million, showing a 26.5 decrease from the

\$13.67 million of the previous month, while the amount of exports to North Korea was \$3.52 million, showing a 46.1 percent decrease from the \$6.04 million of previous month.

The decrease in the amount of North-South trade during October was apparently due to a reduction in iron and steel imports — which accounted for 80.6 percent of the total imports (\$10.89 million) during the month of September — to \$3.16 million.

A relevant official in the Trade Cooperation Bureau of the NUB said that "drastic reduction of North Korea's iron and steel exports was likely prompted by the extension of flood damage even to the iron and steel industry. Despite the trend of decreases, however, the total amount of trade between North and South Korea as of the end of October stood at \$260 million, showing a 46.8 percent increase from the same period last year."

#### **Jiang, Kim Hold Breakfast Meeting**

SK1511021795 Seoul YONHAP in English  
0134 GMT 15 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — South Korean President Kim Yong-sam and his Chinese counterpart Jiang Zemin held a breakfast meeting Wednesday at Chongwadae [presidential offices], the presidential mansion, to cement their personal friendship and exchange views on matters of mutual concern.

At the meeting, the two leaders reaffirmed the outcome of their summit talk from the previous day and pledged to make mutual efforts for further deepening bilateral friendship and cooperation, presidential aides said.

Both leaders discussed specific ways to implement cooperation in the joint development of medium-sized passenger aircraft and construction of nuclear power plants, which had been taken up at their summit meeting, according to the sources.

Following the meeting, the Chinese president toured Samsung's semiconductor plant in Kihung, Kyonggi Province, for nearly an hour, and then met with Chinese Embassy staff members and representatives of the Chinese community in Seoul at the Shilla Hotel, where he has been lodging.

Jiang and his entourage are scheduled to arrive in Kyongju, ancient capital of the Silla Dynasty, Wednesday afternoon and attend a dinner hosted in his honor by North Kyongsang Provincial Governor Yi Ui-kun in the evening.

On Thursday, Jiang is slated to tour Hyundai Motors in Ulsan before flying to Cheju Island, where he attends later that evening a dinner hosted by Kim Sang-ha,

chairman of the Korea-China Economic Cooperation Committee. He will depart Friday morning for Osaka to take part in the Asia-Pacific Economic Cooperation summit.

#### **Seoul To Provide PRC With Development Funds**

SK1511031795 Seoul HANGUK ILBO in Korean  
14 Nov 95 p 11

[Article by reporter Yi Song-chol]

[FBIS Translated Text] With PRC President Jiang Zemin's visit to the ROK as the occasion, the ROK Government decided on 13 November to provide the PRC this year with a total of \$74 million in economic development corporation funds (EDCF) for its five social overhead capital (SOC) building projects in an effort to support its economic and social development. Last year the government decided to provide the PRC with \$43 million for its five SOC building projects.

According to the Ministry of Finance and Economy, the government has recently approved providing a total of \$74 million for "the second EDCF support plan for the PRC," which includes \$9 million for a water pipe construction in Jilin Province, \$5 million for the construction of the ROK-PRC International Exchange Center Building in Liaoning Province, \$20 million for elevated express roads in Shandong Province, \$10 million for the expansion construction of Beihai Port in Guangxi Zhuang Autonomous Region, and \$30 million for the construction of communication nets in Hunan Province.

Accordingly, the total amount of EDCF support funds the government has approved for the PRC since ROK-PRC diplomatic relations were established totals \$117 million, including \$43 million approved last year.

Although approved, these EDCF funds have not been appropriated yet. However, it is anticipated that approximately \$10 million of the EDCF funds approved for the expansion project of Yanji Airport will be appropriated within this year for the first time.

The EDCF is a long-term, low-interest fund for the economic development of developing countries. Its annual interest is 2 to 5 percent, depending on the economic situation of recipient countries. The annual interest of the funds provided to the PRC is 3 percent.

#### **Ministry Reports Increase in Trade With PRC**

SK1411014695 Seoul THE KOREA TIMES in English  
14 Nov 95 p 8

[FBIS Transcribed Text] Trade and investment between South Korea and China are on a sharp increase and the



visit here by Chinese President Jiang Zemin should play an active role in further boosting bilateral relations.

According to a report by the Ministry of Trade, Industry and Energy [MOTIEW] yesterday, exports to China reached 6.51 billion dollars in the first nine months of this year, up 47.1 percent over the same period of last year.

In terms of imports from the socialist country, the total amount soared by 34.7 percent to 5.4 billion dollars, raising bilateral trade to 11.91 billion dollars, up 41.3 percent over the previous year.

This trading volume means that Korea has enjoyed a trade surplus of 1.11 billion dollars for the first nine months of this year, up from 410 million dollars for the same period last year.

MOTIE officials said the main reason for the trade imbalance is the popularity of Korean products in the Chinese market with Korea offering products that are not produced by the socialist country.

Korean exports to China have been concentrated on such products as synthetic fabrics, other textiles, paper, petrochemicals, non-metallic substances and other raw materials.

Investment injected by Korean companies into the Chinese market reached 629 million dollars by the end of last year, with another 368 million dollars invested this year.

All in all, the MOTIE officials said, Korea enterprises had seen it fit to invest a total of 2,284 million dollars as of July this year, accounting for 19.5 percent of all offshore investments.

#### **PRC Ban on Exports To Worsen Food Shortages**

SK1411141695 Seoul CHOSON ILBO in Korean  
14 Nov 95 p 10

[FBIS Translated Text] An official of the Yanbian Korean Autonomous Prefecture said on 13 November that the Yanbian Korean Autonomous Prefecture and the Jilin Provincial Government — North Korea's major source of food imports — will totally ban corn exports to North Korea from 1996. This may further worsen North Korean food shortages.

The ban on corn exports by the Yanbian Korean Autonomous Prefecture and the Jilin Provincial Government is based on Chinese central government instructions urging strict control over grain exports. In October, in order to stabilize food prices, the Chinese Government instructed local governments to ban rice and corn exports, intensify grain purchasing, and apply state-

designated prices rigorously in the sale of rice and wheat flour.

Since the beginning of this year, the Yanbian Korean Autonomous Prefecture has totally suspended rice exports but has continued corn exports to North Korea based on a quota system. However, because of limitation of the corn export quota allocated to the enterprises by the Yanbian Prefectural Government, World Vision International had to decide to supply North Korea with 500 tonnes of African millet of Chinese origin instead of the originally planned 500 tonnes of corn of Chinese origin.

An official of the Yanbian Korean Autonomous Prefecture said: We exported over 300,000 tonnes of corn to North Korea last year, but only tens of thousands of tonnes of corn this year. The mode of transaction was a barter trade in which we traded the corn for North Korean potatoes and fishery products.

The Chinese Government suspended grant-type food aid to North Korea in 1988, and since 1992 has demanded that North Korea make cash payments. An official of the Yanbian Korean Autonomous Prefecture said: China has no intention of putting pressure on North Korea using grain. The ever-intensifying ban on grain exports is an unavoidable step resulting from food shortages in China.

#### **Foreign Ministers Discuss 'Strained' Relations**

SK1511104095 Seoul YONHAP in English  
1029 GMT 15 Nov 95

[FBIS Transcribed Text] Osaka, Nov. 15 (YONHAP) — South Korean Foreign Minister Kong No-myong and his Japanese counterpart, Yohei Kono, met here Wednesday to discuss ways to improve their countries' relations that remain strained due to disparaging remarks made by senior Japanese officials.

At the meeting held at the hotel Osaka New Otani, the two ministers agreed to set up a private-level "Joint History Research Institute" in an effort to fundamentally resolve the two neighboring countries' difference over things of the past.

Minister Kong, in particular, urged Tokyo to take basic steps to prevent the recurrence of distortional remarks by Japanese Cabinet members.

Kong formally expressed regret over the recent statement of Japanese Prime Minister Tomiichi Murayama in which Murayama defended the legality of the Korea-Japan Annexation Treaty of 1910.

Minister Kono said that as Prime Minister Murayama stated in his personal message to President Kim Yong-sam, his government deeply reflects upon itself for the

deep scars Japan caused to the Korean people due to unfortunate historical events.

Kono also reaffirmed that in normalization talks with North Korea, Japan will be faithful to the principle that such talks should be balanced with a progress in inter-Korean relations.

Ministers Kong and Kono decided to have a Korea, Japan and U.S. foreign ministers meeting on Nov. 17.

**Editorial Report on Foreign Minister's Interview**  
*SK1411042695*

[FBIS Editorial Report] Seoul CHUNGANG ILBO in Korean on 13 November carries in its "Sunday Interview" column on page 10 a 2,500-word report by correspondents Pae Myong-pok and Kim Song-chin on an interview with ROK Foreign Minister Kong No-myong (date and place not given) regarding the recent diplomatic tensions between the ROK and Japan resulting from the absurd remarks by Takami Eto, the director of Japan's Management and Coordination Agency, regarding the history of ROK-Japan relations; the ROK's admittance to the UN Security Council as a nonpermanent member; and PRC President Jiang Zemin's planned visit to the ROK.

The report notes the Japanese Government's plan to send Foreign Minister Kono to Seoul to apologize for Eto's remarks, quoting Foreign Minister Kong as stating: "Even though Foreign Minister Kono may come (to the ROK) to apologize for the remarks, it will be of no use unless there is an appropriate 'expression of sincerity' (by the Japanese Government)." The report also quotes Kong as stating: "Our government thinks the person in a responsible post within the Japanese Government made the remarks at random, which runs counter to the (Japanese) government's policy, and when his remarks became controversial he suddenly retracted them. However, this issue cannot be settled, even though he said he has retracted the remarks."

The report then quotes Foreign Minister Kong: "Under such a situation, Foreign Minister Kono's visit to the ROK is insignificant, and appropriate measures by the Japanese Government should follow."

The report also notes the possibility that the ROK-Japan summit talks scheduled for 18 November, one day prior to the Asian-Pacific Economic Corporation (APEC) leaders' meeting in Osaka, may be canceled, quoting Minister Kong as saying: "Under such a situation, how can we expect an ROK-Japan summit? Foreign Minister Kono was originally scheduled to visit Seoul to prepare the groundwork for the ROK-Japan summit. However,

his visit will not achieve any success, and thus it will be difficult to have a summit...."

In reference to the Prosecutor Office's request to the Foreign Ministry in relation to the former's investigation of former President No Tae-u's alleged "secret accounts" with Swiss banks and his daughter's illegal money scandals in the United States, Minister Kong is quoted: "The Foreign Ministry will offer all possible cooperation on necessary issues."

As regards the ROK's admittance to the UN Security Council, the report notes the Foreign Minister's praise for the diplomatic efforts undertaken in the United Nations and by other international organizations.

On the ROK's share of the expenses for the United Nations, the report cites Minister Kong as saying: "The ROK's share of the expenses for the United Nations has nothing to do with the ROK's admittance to the UN Security Council. However, it is necessary to expand the scale of our share in conformity with our country's economic capability."

Finally, as regards PRC President Jiang Zemin's planned visit to the ROK, Minister Kong is quoted: "The visits to the ROK by Premier Li Peng in October of last year, by National People's Congress Chairman Qiao Shi last April, and by President Jiang Zemin at present reveal that the PRC's interest in the ROK is great." In addition, he stated: "The PRC has taken peace and stability on the Korean peninsula as its basic policy, and in the future it is highly likely the two countries will achieve mutual cooperation in the fields of politics and security."

**Parliamentary Goodwill Group To Visit Russia**

*SK1411143995 Seoul YONHAP in English*  
*1119 GMT 14 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — A delegation of the Korea-Russia Parliamentarians Goodwill Association is scheduled to visit Russia for nine days beginning Wednesday in observance of the 5th anniversary of diplomatic normalization between South Korea and Russia.

The mission, to be headed by Rep. Chong Chae-chul of the ruling Democratic Liberal Party, will meet with government and parliamentary leaders in Moscow to discuss the possible formation of a Korea-Russia Parliamentarians Union and also ways to further promote mutual friendship and cooperation.

Other members of the delegation will be Reps. Ha Sun-pong (DLP), Kang Chol-son (NCNP) and Kim Chong-wan (DP).

**Government To Look Into Alleged Canadian Spying**

SK1311133595 Seoul YONHAP in English  
1216 GMT 13 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 13 (YONHAP) — The Foreign Ministry on Monday instructed the Korean Embassy in Ottawa to find out the authenticity of the allegation that Canada had collected intelligence information through eavesdropping in South Korea, Mexico and Japan.

"We will be able to take appropriate steps only after we found out whether the reported allegation is factual," a Foreign Ministry official said.

If Canada were found to have really indulged in such intelligence activities, he said, the government will take firm diplomatic steps against Canada.

Foreign reports said Monday that a former employee of the Canadian Communications Security Bureau (CSE) asserted in an interview with the CTV Sunday that he had collected intelligence information in South Korea for Canada.

He alleged to have collected information on South Korea's economy and national security by taking part in a project code-named "Aquarian" beginning 1991.

**No Expected To Be Arrested 16 Nov**

SK1511071895 Seoul YONHAP in English  
0709 GMT 15 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — Former President No Tae-u made a second appearance before the Supreme Public Prosecutor's Office at 2:48 PM [0548 GMT] Wednesday to be questioned further about the "slush fund" he confessed to having raised while he was in office.

Upon arrival at the office in Socho-tong, southern Seoul, he was ushered into the entrance of the building by the office's director general, Yun Chu-chon. He got into an elevator to go to the Central Investigation Department office on the seventh floor.

No did not give any replies to reporters' questions when he walked toward the elevator.

The ex-president will be questioned through Wednesday night over his alleged acceptance of bribes from conglomerates in return for granting favors to such companies involving state projects during his presidential tenure.

Prosecution sources said No will most likely be arrested and taken into the Seoul Detention House Thursday on charges that he had received illicit kickbacks from businesses.

**DLP Seeks To Soften Confrontation Over No**

SK1511093095 Seoul YONHAP in English  
0732 GMT 15 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — The ruling camp, judging that the current extreme confrontation between the ruling and opposition parties over the political fallout from the "slush fund" scandal involving former President No Tae-u is undesirable, is mulling over ways to bring a change in the situation, refraining itself from vilifying opposition parties on the one hand.

"For nearly a month, it has appeared as if we have no other national affairs to attend to than the slush fund scandal," Chairman Kim Yun-hwan of the ruling Democratic Liberal Party (DLP) said Wednesday, adding, "politics should not be allowed to continue like this."

The ruling camp should see to it that national interests and the lives of the people are not neglected while ensuring a thorough probe of the scandal that leaves no trace of suspicion, Kim stressed?

Apparently referring to his party's verbal war against the main opposition National Congress for New Politics (NCNP), Kim maintained, "Some opposition forces are taking a very regrettable attitude that reminds one of a life-or-death war..."

"The truth of the matter (of the amount of funds No gave to both the ruling and opposition party candidates in the 1992 presidential election), I believe, will be revealed in the ongoing prosecution investigation, and No will eventually disclose it himself," he added, "therefore, there is no reason, I think, for the opposition to quarrel with us over the matter."

The secretary-general's remarks, which came on the day of No's second summons by the prosecution for questioning, is being construed as a move by the ruling camp to avert consumption political strife and normalize operations of the National Assembly.

"Our party must mobilize its wisdom to work out ways to eradicate bad political practices, while entrusting the prosecution with the investigation," Kim declared. "The political circles could be born again when they put an end to our old-fashioned political practices and collusion between politicians and businessmen."

DLP floor leader Kang Sam-chae, who has taken the lead in assailing opposition leader Kim Tae-chung, also expressed an intent to avoid an extreme confrontation with the opposition, by saying, "We won't cast the first strike though we'll deal with the opposition's offensive adequately."



**Prosecution Begins Probe Into F-16 Scandal**

*SK1511035195 Seoul CHOSON ILBO in Korean*  
*14 Nov 95 p 47*

[Report by U Pyong-hyon]

[FBIS Translated Text] It was learned on 13 November that the Central Investigation Department of the Prosecutor General's Office has begun a full investigation into the suspected pocketing of commissions by former President No Tae-u, totalling hundreds of millions of dollars, through Kim Chong-hwi, former presidential secretary for Foreign Affairs and National Security, in return for changing the ROK fighter model from the F-18 to the F-16. It was also learned that the prosecution has secured detailed evidence that the money has been hidden in overseas banks, and is now searching the related bank accounts.

The prosecution holds that former President No might have entrusted Kim to play the channel for lobbying overseas, and that No received another huge commission through yet a different foreign weaponry importation business. The prosecution holds that No may have let Kim manage the overseas secret funds separately from domestic ones, and is now conducting the investigation along that line.

The prosecution has ascertained these facts through a deposition made by Yi Hyon-u, former director general of the Presidential Security Service, and through the prosecution's data gathered on its secret investigations into the Yulgok project scandal of 1993. On 14 November, it decided to summon Yi Tae-chin, former chief accountant of the Presidential Security Service who accompanied former President No on his visit to Switzerland in 1989, and question him about the opening of overseas bank accounts.

The next-generation fighter project is to bolster the Air Force's strength with a project estimated to cost 4 trillion won [US\$5.3 billion]. It has been characterized by the National Assembly and others as a typical scandal of the Sixth Republic government.

The Board of Audit and Inspection discovered that former President No directly ordered the change of the fighter model in September 1993, and that former Assistant Kim secretly contacted General Dynamics. However, they failed to find out whether money, such as commissions, had been given and taken since Kim has fled to the United States.

Through testimony given by Yi Hyon-u, who was the general manager of the secret fund, the prosecution has obtained detailed evidence that Kim had been actively involved in various foreign relations, including weapons

trading, and had created and managed the secret funds overseas.

Accordingly, the prosecution has decided to formally request, through the Ministry of Justice, that the U.S. Government cooperate in summoning Kim Chong-hwi.

**TV Features Scandal on F-16 Fighter Purchase**

*SK1511072195*

[FBIS Editorial Report] Seoul KBS-2 Television Network at 1310 GMT on 12 November, in its Sunday "60-Minute Pursuit" program, carries a 50-minute extensive report on the secret fund scandals involving ex-President No Tae-u subtitled "Secret Political Funds."

While reporting on the secret political funds provided by construction companies, the program shows the account book of a construction company identified as "D" that details the bribes given to government officials in return for construction orders won by the company during the Sixth Republic; the account book was obtained by lawmaker Che Chong-ku, who worked for the National Assembly Construction Committee in 1994. The program notes: "As much as 40 million won [US\$53,000] was paid as a secret fund at the construction site of the Ulchin Atomic Power Plant. This is the largest single bribery case shown in the account book."

The program then reports various methods by which construction companies prepare and deliver secret funds, as well as the details of the scandal concerning the development of Suso District. It quotes and plays tape recordings containing statements by lawmakers, businessmen, and business group officials.

At 1320 GMT, the program turns its focus to the scandal surrounding the purchase of F-16 fighters. While showing shots of F-16's in flight and ROK vernacular papers, the program reports: "Last June, when people began to raise questions in connection with the purchase of F-16 fighters, U.S. and ROK media reported the U.S. Federal Grand Jury had set out to investigate the General Dynamic Company, the supplier of the F-16's."

The program shows the video of a KBS news program dated 20 December 1989 which reports the official announcement of the government's decision to adopt the F-18 as the Air Force's major next-generation fighter. Showing various shots of an F-16 and an F-18, the program explains the superiority of the F-16, quoting remarks by unidentified Defense Ministry officials. The program also shows the video of another KBS news program dated 28 March 1990, reporting the government's decision to change the type of fighter

from the F-18 to the F-16, including footage of then-Defense Minister Yi Chong-ku explaining the reason for the change in the government's next-generation fighter project by saying: "The F-16 is cheaper than the F-18, and its performance has been greatly heightened since the government originally studied it."

The program shows KBS producer Song Chae-hon making a phone call to an unseen and unidentified "then-adviser on the F-18" who says: "Both the F-16 and F-18 increased in price after 1989, but the rate of the increase for the F-16 was even higher than that of the F-18. At first, the government officials concerned began a quarrel with the price increase of the F-18. However, when I pointed to the higher rate of increase in price for the F-16, they justified their new decision by saying planes were expensive, yet the budget was short."

The program continues: "The budget for the Yulgok project was about five billion won [\$6.6 million], with which the government could afford to buy 100 F-18's or 120 F-16's. However, who understands that a decision on the important next-generation fighter project, which is decisive to the national defense capability, was made simply based on price?"

The camera cuts to a shot of General Son Chu-hyon, a graduate of the First Class of the Air Force Academy, explaining the superior performance of the F-16's by saying: "An F-16 is equipped with double engines, and all its systems are diversified. Accordingly, its survivability is very high. This is of great significance."

While the camera shows a table of the plan to purchase F-16's from the U.S. Air Force as well as printed material from the Pentagon, the program reports: "A report prepared in 1990 by the Joint Chiefs of Staff, based on the result of their survey in the United States, played an important role in deciding to change the type of fighter because it reported the F-16 will continuously be manufactured until 1999. However, the U.S. Senate advised suspending manufacture and purchases of the F-16 early in 1991."

The program carries video on the 1993 interpellation with Chong Yong-hu, former chief of the Air Force General Staff, who "raised questions about the decision to change the type of fighter." It reports: "At that time, then-Chief of the General Staff Chong Yong-hu reportedly was under great pressure from Kim Chong-hwi, then-presidential aid for security and foreign affairs, who was one of the most influential men in making security and foreign policies; this pressure was directly conveyed through then-Defense Minister Yi Sang-hun."

Noting the suspicion of lawmakers that "an enormous rebate must have occurred during the course of chang-

ing the decision regarding the type of next-generation fighter," the program shows lawmaker Kang Su-im of the Democratic Party, who states: "An F-16 sells at a cost of approximately \$23 million in foreign countries. However, our country purchases them for \$41 million. I examined various material and investigated many people concerned, all in a bid to disclose something hidden behind this. As a result, I heard some relevant people testify that they raised political funds under the name of manufacturing licenses."

The video then shows various shots of printed material obtained by KBS from an unidentified U.S. private information agency. The program reports: "According to the information agency's report, it is believed a rebate fund was raised while trading F-16's in the Middle East during the Gulf War. That is, a rebate of approximately \$200 million was created in the course of selling M1A1 battle tanks to Saudi Arabia by the U.S. General Dynamic Company; part of the rebate must have been funneled back into the ROK through a person, and some flowed into banks in Hong Kong and into the Caymen Island of North America, which specializes in laundering money. The report also pinpoints three suspected companies, the subcontracts for which were ambiguous. They are Mansour General Dynamics Ltd., Advanced Electronics Company, and Aselsan of Turkey. All are known to be engaged in supplying weapons to the Middle East." The program concludes the report on the fighter scandal by saying: "The Yulgok project, in which the F-16 was chosen, disregarding the opinion of the Air Force, has left a major scar on the ROK Air Force. The prosecution has been saddled with a new burden to clearly answer all questions concerning the matter."

The program next reports the brief history of secret political funds in the ROK since the "first scandal on secret political funds in our country" was discovered in 1950, when "the foreign currency earned by exporting tungsten was diverted for election campaigns." While reporting on the scandals regarding secret political funds of the Third Republic, the program shows video and printed material from the U.S. Frazer Committee held at the U.S. Senate in 1976 in which Kim Hyong-uk, then-chief of the ROK Central Intelligence Agency [KCIA], was quoted as testifying: "The political funds raised in the course of dealing with foreign countries in projects were mostly used for operating the Republic Party. Part of the funds must have flowed into Chongwadae [presidential offices]." The program also played a tape recording of an interview with an American named Baker, who worked as an inspector on the Frazer Committee, by an unidentified KBS reporter as regards the inspector's memory of meeting a son of Yi Hu-ak,

former chief of the KCIA, and hearing from him about former President "Pak Chong-hui's money deposited in a Swiss bank in the name of Yi Hu-ak."

The program concludes by carrying a report on the scandals regarding the various secret political funds raised by the Chon Tu- hwan regime, including the scandal surrounding the collapse of the Kukche Group.

Reminding that former Japanese Prime Minister Tanaka was sentenced to four years imprisonment for being bribed by the U.S. Lockheed Company in connection with a deal to purchase U.S. planes in 1976, the program hopes the ROK prosecution will thoroughly probe the scandal on No Tae-u's secret political funds, adding: "The people have burdened the prosecution with the historic task of putting an end to the history of corrupt secret political funds." The program again hopes that the "deep-rooted vicious circle of the adhesion of politics and the economy, which has lasted over 30 years in our country and has definitely exerted a bad influence upon our people, society, and economy, will be eradicated soon."

#### **Part of No Fund Used To Purchase Real Estate**

*SK151110195 Seoul YONHAP in English*  
*1025 GMT 15 Nov 95*

[FBIS Transcribed Text] Seoul, Nov.15 (YONHAP) — More than 35 billion won in the secret fund stashed by former President No Tae-u were found Wednesday to have been used in the purchase of real estates under the names of some of No's relatives.

Central Investigation Department of the Prosecutor General's Office said its probe into the No case has revealed that 35.5 billion won out of the 500 billion won known to have been raised by No were used in procuring the Seoul Center Building and three other real estates.

The three others are the Tongnam Tower Building at Taechi-tong in southern Seoul, Tongho Building at Panpo-tong and the Mirak Cold Storage Co. in Yong-in.

A prosecution source said No provided 23 billion won in late 1990 to finance the purchase of the Center and Tongnam Tower Buildings, and 12.5 billion won between 1988 and '92 for use in the procurement of the Tongho Building and Mirak Cold Storage.

The use of 35.5 billion won in the purchase of the four real estates bring to 221.2 billion won the total of the remaining amount of No's fund. No earlier said his remaining fund amounts to 185.7 billion won.

#### **Kum Chin-ho Questioned on Ties to No**

*SK1411032595 Seoul YONHAP in English*  
*0301 GMT 14 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 14 (YONHAP) — The prosecution discovered Tuesday during questioning of Rep. Kum Chin-ho of the ruling Democratic Liberal Party (DLP) that the bureaucrat-turned-politician had arranged for businesses to give billions of won in "rewards" to former President No Tae-u during his tenure in return for lucrative government-funded contracts.

It was revealed that Kum, serving as advisor to the Korea Foreign Trade Association at the time, intervened in the awarding of big government contracts to certain firms in order to receive monetary gifts from such companies on behalf of No as well as embezzling part of the money for himself.

The DLP member, who is also No's brother-in-law, is also suspected of having sold his influence in the appointments of bank presidents during No's presidency, and the prosecution questioned former Korea Development Bank President Yi Hyong-ku about this allegation Monday.

The prosecution is continuing to grill Kum as to how he arranged for the Daewoo and Hanbo Groups to help stash No's slush funds totaling 89.9 billion won in their bank accounts.

Daewoo chairman Kim U-chung returned home after having been interrogated about the 30 billion won that he allegedly helped No hide and whether he gave a bribe to the ex-president for his business group's participation in the military modernization program Yulgok.

On Tuesday morning, the prosecution summoned Pyucksan Group Chairman Kim Hui-chol and Poongsan Group Chairman Yu Yong-u for questioning, increasing the number of business tycoons called in over the No scandal so far to 35.

Yi Tae-chin, reportedly a manager of No's slush fund, will be summoned again Tuesday afternoon for questioning about the amount of money each related business gave to No, among others.

#### **Daily: DLP Falsely Reported Election Expenses**

*SK1511070795 Seoul YONHAP in English*  
*0608 GMT 15 Nov 95*

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — The ruling Democratic Liberal Party (DLP) spent 53.5 billion won just for public relations during presidential election campaign of its candidate Kim Yong-sam in 1992, much more than the 10.8 billion won it reported to the Central Election Management Commission (CEMC)



as having spent for that part of the party's electioneering, a weekly news magazine reported Wednesday.

"HANGYORE 21," claiming that its report was based on a document of the DLP Election Campaign Headquarters titled "The Budget for Public Relations," said that the party spent 53.5 billion won in actuality for public relations activities, nearly twice the amount of 28.4 billion won that it reported as its total election expenses to the CEMC.

The periodical added that the ruling party had also reported having used 10.8 billion won as public relations expenses to the election watchdog.

The accused party denied the report, saying that there was no public relations team in the party for the 1992 election, and Rep. Son Hak-kyu announced that his party has decided to lodge a protest with the press arbitration committee against the weekly.

"Even if the reported document actually exists, it is only a draft budget and far from the amount that the DLP actually spent," said Son, adding, "It is regrettable that HANGYORE reported the alleged election campaign expenses without confirming facts."

Upon receiving news of the HANGYORE report, the ruling and opposition parties issued statements early Wednesday morning to clarify their positions on the allegation.

The National Congress for New Politics (NCNP) said that the "falseness" of the DLP's official report of its 1992 election campaign expenses has been brought to light.

Pak Chi-won, NCNP spokesman, urged President Kim Yong-sam to disclose the exact amount of the election campaign expenses from the 1992 presidential election and to apologize to the people.

Another opposition party, the Democratic Party (DP), said that it has now become clear just how enormous the amount of money the DLP used for the presidential election.

"President Kim Yong-sam should stop his attempt to minimize or cover up this fact and clarify the election campaign expenses himself," Yi Kyu-taek, DP spokesman, said.

#### **Former Prosecutor Urges Kim To Reveal Funds**

SK1511072695 *Seoul YONHAP in English*  
0717 GMT 15 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — Former Seoul District Public Prosecutor Hong Chun-pyo asserted Tuesday [14 November] that President Kim Yong-sam should publicly reveal the money he

received from former President No Tae-u during the 1992 presidential elections in order to bring all truths of the slush fund scandal to light.

"The scandal requires that President Kim Yong-sam, too, make himself bare (of all suspected political funds)," said Hong, speaking on political corruption and reform at a dinner in downtown Seoul hosted by the Nara Policy Research Society.

"What ought to be handled by law should be judged by the law and the rest should be judged through the coming general elections," he said, suggesting that President Kim should clear up all suspicions surrounding his campaign expenses in the last presidential election. He added that the chief executive should await the people's judgement in general elections slated for next April.

Hong also called on opposition leader Kim Tae-chung to reveal everything about his political funds, including those he might have received from No during his presidency.

He then stressed that the scandal not only requires that the former head of state be brought to justice, but that all corrupt practices of established politicians, regardless of party affiliation, should be stamped out.

He claimed that more than just a few lawmakers used to take big bribes and even enjoyed "a sex party" during past parliamentary inspections of government agencies.

Warning that the nation's political corruption has reached a critical level, Hong said all corrupt politicians should be replaced with new clean ones.

He added that the depth of the on-going investigation of the No's slush fund hinges on President Kim's policy of handling the scandal.

Hong revealed that during the 1993 probe of the slot-machine business scandal when he served as a public prosecutor, he refused to follow his public prosecutor-general's order to arrest slot-machine kingpin Chong Tok-il.

#### **President To Propose Agricultural 'Exceptions'**

SK1511081795 *Seoul YONHAP in English*  
0737 GMT 15 Nov 95

[FBIS Transcribed Text] Seoul, Nov. 15 (YONHAP) — President Kim Young-sam will depart for Osaka Friday morning aboard a special Air Force flight to attend the third Asia-Pacific Economic Cooperation (APEC) summit, which begins Sunday.

With the heads of state and other representatives from 18 member countries expected to attend the forum, Kim, in his scheduled keynote address, will present

a basic guideline for realizing trade and investment liberalization and economic cooperation in the region and the contributions that South Korea will make to APEC.

He plans to propose specific means by which APEC may develop itself into a regional economic cooperative entity looking forward to the 21st century, while accommodating the diversity of member nations by recognizing exceptions in the opening of the farm produce market in the course of liberalizing trade and investment, a presidential aide said.

Expected at the summit is the adoption of a comprehensive action agenda, aimed at materializing the trade and investment liberalization declaration which was agreed to at the second APEC summit held in Bogota, Indonesia, in November of last year.

During his stay in Osaka from Nov. 17-20, Kim is scheduled to hold a series of summit meetings with Japanese Prime Minister Tomiichi Murayama, Australian Prime Minister Paul Keating and Thai Prime Minister Banhan Sinlapa-acha. His one-on-one get-together with U.S. President Bill Clinton is also being pushed for.

Upon arrival in Osaka Friday afternoon, Kim is slated to host a reception for members of the Korean community there at the Miyako Hotel. He is scheduled to attend a dinner Saturday evening for APEC leaders hosted by Murayama at the Royal Hotel.

**Burma****Finance Minister Addresses Market Seminar**

**BK1511065595** Rangoon *THE NEW LIGHT OF MYANMAR* in English 28 Oct 95 p 12, 5

[FBIS Transcribed Excerpt] Yangon [Rangoon], 27 Oct — Minister for Finance and Revenue Brig-Gen Win Tin addressed the opening ceremony of Seminar on Capital Market organized by the Ministry of Finance and Revenue, the Ministry of National Planning and Economic Development, the Myanma Economic Bank and the Daiwa Institute of Research of Japan at the International Business Centre on Pyay Road this morning. [passage omitted]

In his address, Minister Brig-Gen Win Tin said: [passage omitted] In September 1988, the State Law and Order Restoration Council took power and the market-oriented economic system was introduced. The Foreign Investment Law was enacted in November 1988 to induce increased inflow of foreign capital.

A new financial management programme was introduced to restructure the State Economic Enterprises (SEEs) in order to improve their financial position. Tax reform measures were also taken. New Banking Laws were enacted in July 1990 and rules and regulations to the laws were also prescribed. These measures were taken to support the development of the financial sector in a market oriented economy.

The Central Bank of Myanmar (CBM), in collaboration with Sun Hung Kai Fund Management limited from Hong Kong, conducted, for the first time, in December 1990, a Symposium on the Development of Capital Markets in Myanmar [Burma]. The CBM also began to explore the possibility of reactivating the issuance of Treasury Bonds of the Government with a view to reduce the rate of inflation and to mobilize the financial resources of the private sector.

Accordingly, with the approval of the government, the CBM commenced to issue 3-year and 5-year Treasury Bonds effective December 1993. Up to end-September 1995, a total of Kyat [Burmese currency unit] 221.5 million worth of treasury bonds have been sold to the public. This is expected to facilitate the emergence of capital markets in Myanmar and enable the CBM to fulfill one of its important duties of undertaking open market operations in the near future.

On October 23, 1994, the Seminar on Securities, Capital Markets and Privatization jointly sponsored by the Ministry of National Planning and Economic Development, Ministry of Finance and Revenue, CBM and Daiwa Institute of Research Ltd of Japan was held in Yangon. In November 1994, the Ministry of National Planning

and Economic Development and Daiwa Security Co, Ltd of Japan signed a memorandum of understanding according to which Daiwa would render assistance to Myanmar's establishing of stock and share market and developing of capital market and privatization.

Arrangements are being made to privatize some SEEs. As the first phase of privatization, in February 1995, announcement has been made that 51 SEEs will be privatized.

Necessary arrangements are being made to establish a stock exchange, in the very near future, in cooperation with the Daiwa Security Co, Ltd. Daiwa has already given training to some personnel from the Ministry of National Planning and Economic Development and the Ministry of Finance and Revenue. The draft of the Myanmar Securities and Exchange Law for the establishment of a stock market in Myanmar has been submitted for consideration and approval by the Attorney-general's Office.

A total of 15 private domestic banks have been granted licence to operate by the CBM. Similarly, a total of 30 representative offices of foreign banks have also been permitted to open business to date. So far 4 private banks out of the existing private banks, have been allowed to conduct foreign exchange transactions with effect from April 1994. Further more, 3 private banks have been permitted to issue credit cards and this launching of credit cards is the first pilot programme of credit card utilization system in Myanmar. One private bank will introduce the Automatic Teller Machine (ATM) very soon.

The Central Bank rate was raised from 4 percent to 11 percent in September 1989, and further to 12.5 percent in January 1995, for savings promotion and better allocation of financial resources. At present, minimum deposit rate is 9.5 percent and maximum lending rate is 18.5 percent.

Owing to reform measures undertaken in the financial sector, more credits are now being made available to private sector by the banking system. [passage omitted on theme of seminar]

Discussions at the seminar began at 1030 and ended at 1600.



## Brunei, Malaysia & Singapore

### Singapore

#### President of Zimbabwe Arrives for Visit

*BK141111495 Singapore Radio Corporation of  
Singapore in English 1000 GMT 14 Nov 95*

[FBIS Transcribed Text] Zimbabwe's president, Robert Mugabe, is in Singapore for a two-day visit. He is accompanied by Minister of Foreign Affairs Stanley Mudenge and Minister of Industry and Commerce Herbert Murerwa, and other officials.

Tomorrow, President Mugabe will address a forum on trade and investment opportunities in Zimbabwe.

#### Daily Urges APEC To Reestablish Principles

*BK1511142795 Singapore THE STRAITS TIMES  
in English 15 Nov 95 p 28*

[Editorial: "Give Apec a Chance"]

[FBIS Transcribed Text] IN A Worldnet interview with Asian journalists to discuss the state of Apec [Asia-Pacific Economic Cooperation], America's chief negotiator Sandra Kristoff was clear-sighted about how the Asia-Pacific Economic Cooperation forum should progress. Blake Island and Bogor set down the political commitment for free trade, she said, but it is in Osaka, venue of Apec's third annual meeting this week, where "flesh and life" would be added. She should get a medal for bravery. From America's perspective as a free trader, the time-frame is not only achievable but also an imperative, as it was President Bill Clinton's idea to make the western Pacific less of a Japanese lake for commerce by creating equal opportunities for other nations' exporters. But Ms Kristoff is a little too optimistic to imagine that this year's chairman, Japan, having caused maximum confusion over its position on the agricultural sector, is competent to give Apec the requisite push. This is Apec's weakness. Because members wanted it to be an amorphous body with no legalistic form, it is left to each year's host to devise and cause to be executed a plan of action to open up markets and encourage capital formation. As has been clear from the obfuscation served up by the Japanese at senior officials' level through the year and now in Osaka, Apec 1996 [as published] is almost sure to be in troubled waters.

This is not saying that Apec itself is set for the scrap heap. It should be persisted with for the untold riches that transfers of technology and labour and trade in services and manufactures can bring. This is its hidden net worth. Against that, no amount of agricultural trade in grain, dairy products or meat is

worth taking Apec to the brink. The two groups squaring up over farm opening — the U.S., Canada, Australia and New Zealand on the producer side versus China, Japan, Taiwan and South Korea wanting protection — would do well to take a step back and reflect on the hierarchy of priorities. The position taken by America and Australia has persuasive logic as a concept. They want total market opening "or nothing" as allowing certain countries exclusion for sensitive areas of their economy would lead to competing claims. If Japan and China ask for exclusion for agriculture, Indonesia would have a stronger claim to protection for its telecommunication and financial sectors. Malaysia's Dr Mahathir Mohamad has said his country's banks could be swamped if some restrictions were not placed on foreign ones. If carried to its conclusion, such "handicapping" can reduce Apec to a canard quickly. It may then not be worth having.

Now, come off the conceptual plane. Look at, for instance, China's delicate balance between central authority and the peaceability of its discontented farmers, who make up seven out of 10 working Chinese. Japan hints, less convincingly, that its farm lobby can bring down governments. If, on these grounds, either country can afford to open itself to farm imports only gradually — the famous "flexibility" approach — they deserve consideration, provided the target years of 2010 or 2020 are met. Hard though that is for free marketers to accept, the alternative is to give up Apec as a good idea well before its time. It is arguable that China cannot yield to instant full opening even with the best will in the world. Conversely, it would still do nicely in bilateral dealings with multiple partners without Apec. The same goes for the rich members.

This is the reality the 18 member economies will have to acknowledge when the ministers start discussions tomorrow, followed by the leaders' meeting on Sunday. The action agenda will almost certainly permit flexibility in meeting farm opening targets. But the holdouts must show sincerity beyond vague promises of gradual opening. There is irony here: flexibility was already agreed upon in Bogor. If all Osaka 1995 can achieve is to re-establish a principle, the sighs will be deep as to Apec's commitment. But it could be worse. That, one can be thankful for.

### Cambodia

#### Ranariddh Speaks on U.S. MIA's

*BK1411065995 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 13-14 Nov 95 p 4*

[FBIS Translated Excerpt] Prince Krompreah Norodom Ranariddh, first prime minister of the Kingdom of

Cambodia, has said that the Royal Government of Cambodia [RGC] will spend \$7 million from the national budget to purchase two frigates from Malaysia for use in coastal patrol by the Khmer Royal Navy.

The prince said this while attending a ceremony to launch an operation to search for the remains of U.S. troops missing in action on Kaoh Tang Island during the 1970-75 period. [passage omitted]

The prince added that the RGC welcomed and would cooperate with the United States in the search for the remains of U.S. troops who died in the 1970-75 Indochina war. [passage omitted]

### **Hun Sen Claims Extremists Planning To Kill Him**

*BK1511073595 Phnom Penh National Radio of Cambodia Network in Cambodian  
1300 GMT 14 Nov 95*

[Speech by Hun Sen, second prime minister and commander in chief of the Khmer Royal Armed Forces, at the launching of the special 911th Paratroop Regiment at Kambol commune, Ang Snuol District, Kandal Province, on 14 November — recorded]

[FBIS Translated Excerpt] [passage omitted] Over the past few days, an attempt to assassinate me has worried the Army, the people, and the politicians, who have been wondering about the magnitude of the plot. What the newspapers reported last Saturday was actually an attempt to assassinate me.

The reason I raise this matter is that I want to avert misunderstanding and suspicion and to uncover and settle the problem once and for all. Why? Because it is terribly painful when an abscess is about to swell up. Therefore, I have the duty to find out whether the matter is real or fabricated.

The attempt to assassinate me is undoubtedly true. It has been testified to by witnesses, who have personally uncovered a plot to murder me at the Royal Palace in 1996. What I have said is true because it has been confirmed by the two witnesses, who have reaffirmed that the plot will be carried out next year using B-40 rocket launchers to destroy my convoy. It would be very easy for them to murder me in the compound of the Royal Palace because there are no checks for arms and no bodyguards are allowed in there.

This is simply to confirm what the two witnesses have stated. Therefore, I would like to stress that I just want to get their claims out in the open; whether they are true or not, I don't know.

Yesterday, the samdech Krompreah [Norodom Ranariddh] and I discussed the matter and concluded that

it was true because at a meeting with the interior ministers the witnesses also confirmed that I or somebody else would be targeted. [words indistinct] to turn the page of history.

Availing myself of this opportunity, I would like to point out that:

1. The attempt to kill me to turn the page of history is a stupid act by some politicians. It is true that a change in history will occur, that is, from the existence to the nonexistence of Hun Sen. This will be a (?big) change. For instance, the regrettable deaths of President Anwar Sadat of Egypt, the regrettable death of Mrs. Indira Gandhi of India, and the recent death of Israeli Prime Minister Yitzhak Rabin [words indistinct]. However, it cannot be certain that the assassination of Hun Sen in Cambodia will change the course of history. The 18 March 1970 coup d'etat that toppled Prince Norodom Sihanouk not only changed the course of history by removing the prince, it brought about the tragedy that lasted until 1993, when we turned another page of history that was filled with our nation's pride. Therefore, I do not believe that the murder of Hun Sen would be the end of the matter; there would be protracted repercussions — I cannot say how far these repercussions would extend as I would have already died. Somehow, several (?grandchildren) of Hun Sen would probably continue the (?legal action). [words indistinct] is determined to carry out an investigation.

This morning, the samdech krompreah and I have authorized the handing over of the investigative task to the coministers of the interior. I firmly believe that the coministers will order the national police chief to investigate with a view to solving the problem. I do not know how far the investigation will be carried out; however, it is absolutely impermissible to let this kind of act happen in Cambodia. The [words indistinct] terrorist acts. With this first point, I want to make it clear that nothing will be concluded with the murder of Hun Sen. I also want to stress that Hun Sen is not a target for any fun shoot. But he does not have an eternal life either; Hun Sen will certainly die one day. I am not the focal point for any fun shoot and [words indistinct] I have an immortal life. One should be aware of this.

Second, the choice of the Royal Palace to assassinate me is a regrettable matter — although it has yet to be carried out, the assassination has already been planned for that place. Why is it regrettable? Because I am not worth being killed in front of the royal umbrella in the throne hall at the Royal Palace, which is a sacred place for the Cambodian people. My dead body should be found at a corner, somewhere else. The place venerated by the people for centuries should not be used as an

amusement parlor or a mortuary. And I don't believe that only Hun Sen would die there; more people would die, and it could also threaten the life of His Majesty the King. They would not shoot in other places, only in front of the royal umbrella, because it is the most appropriate place since ceremonies take place there.

One of the most shameful aspects of all this for Cambodia is that the Royal Palace should be chosen for my execution. I am not supposed to be murdered at the Royal Palace. My dead body is not worth being placed in front of the throne's royal umbrella.

Third, you, the compatriots, excellencies, and gentlemen, should understand that this is not a murder attempt by one party fighting another. Don't be confused by the issue. The political parties are cooperating very well; leaders at all levels are cooperating very well. This action only emanates from the extremists. Therefore, this matter should not be regarded as a confrontation between the political parties within the Royal Government and the National Assembly.

I wish to make it clear that the matter is an individual case, an unforgivable brutal and barbaric political assassination. As a prime minister, I have joined the samdech krompreah in handing over the case to the Interior Ministry for an in-depth investigation. I don't know where or to whom the investigation will lead. However, I can say that I am sure about the plot because I have met the two witnesses in person and have also recorded their voices as proof. [passage indistinct] I do not know what will happen. The Interior Ministry should be left to conduct the investigation.

You, the compatriots, are urged to stay calm. While this is a true story, I am still alive. We should not exaggerate the story. What we should do is to investigate the matter within a tiny framework that does not link it with unrelated major issues. [passage omitted on Hun Sen thanking the countries that provided tactical training to the paratroop unit].

#### **Chea Sim Opens National Assembly's 5th Session**

BK1311061995 Phnom Penh THE CAMBODIA  
TIMES in English 29 Oct-4 Nov 95

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Phnom Penh: The fifth session of the National Assembly opened recently in Phnom Penh, presided over by H.E. Son Soubert, acting President of the National Assembly, after three-month recess.

Samdech Chea Sim, as High Representative of His Majesty the King and Acting Head of State, opened the session which was attended by 99 members of parliament (MPs).

In the opening address, Samdech Chea Sim said the fifth session "is the fifth step forward in consolidating the legal process and the process of democratization through which our Kingdom is being reconstructed."

"This legal process and the process of democratization is the highest aspiration of our people. It is the foundation of future prosperity of our nation," the Acting Head of State said.

Samdech Chea Sim said "historic steps" have been taken in the past two years since the new Government and National Assembly were formed.

"The Royal Government has displayed a great effort and stoic patience in constructing the new administration and the new national armed forces, in establishing the foundation for the development of a market economy capable of attracting foreign investment.

The current effort is the key to the rehabilitation of our society, to the promotion of liberal democracy and to the future social development of our nation," the Acting Head of State said.

During the first morning of the fifth session, The National Assembly passed two laws:

— The law of the organization of the ministry of the Council of Ministers

— The law of the organization of the Interior Ministry.

#### **Indonesia**

##### **Police Arrest Four Persons in Dili 12 Nov**

BK1511041995 Jakarta ANTARA in Indonesian  
0929 GMT 14 Nov 95

[FBIS Translated Text] Dili, 14 Nov (ANTARA) — Police Colonel Dr. [academic title] Andreas Sugianto, chief of the East Timor Area Police, has said the police have registered about 4,000 clandestine members belonging to an underground network in the area.

"These clandestine members are spread throughout several levels of this area's population, he told reporters after presiding over a ceremony in Dili on Tuesday marking the 50th anniversary of the Mobile Brigade [Brimob].

According to Col. Andreas, the number of clandestine members in East Timor decreases every year because more have realized their mistakes and have quit the underground network after seeing that the results of government programs have brought about positive effects for the welfare of the local population.

"They have quit the network because they realize their actions were wrong," he said.



On this occasion, the police area chief noted the overseas activities of clandestine members, who always try to create trouble in East Timor and discredit the Indonesian Government on the international scene.

#### Four Persons

Answering a question on whether the local police arrested any troublemakers on 12 November, Andreas said firmly: "Yes."

"Four persons were arrested. One person was arrested for attempted robbery for breaking into a kiosk, and three others for possession of Fretilin [Revolutionary Front for an Independent East Timor] flags, documents, and fliers that discredited the Indonesian Government," he said.

The four suspects are undergoing intensive interrogation by the local police. The interrogation process is expected to be completed in the near future, and they will immediately stand trial in accordance with Indonesian law.

According to Col. Andreas, the situation was peaceful and under control throughout 12 November. There were no major incidents, and economic activities proceeded normally.

On this occasion, the area police chief added that there is only one special Brimob battalion in East Timor, and the number will not be increased.

"We believe that one Brimob battalion in East Timor can adequately maintain public security and order in the area," Andreas said.

#### Airline Chief Replaced Amid Controversy

BK1011085695 Jakarta THE JAKARTA POST  
in English 28 Oct 95 p 1

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — State-owned PT Merpati Nusantara Airlines president Ridwan Fatarudin's tense waiting for a confirmation of his imminent replacement has ended.

Director General of Air Transportation Zainuddin Sikado disclosed yesterday that the finance minister, as the nominee government shareholder in all state-owned companies, has agreed to replace Ridwan Fatarudin as the chief of the subsidiary of the flag carrier.

"The minister of finance has given his approval. I just knew it on Thursday [26 October]," Sikado, who returned here on Thursday from a visit to the United States, told a hastily-convened news conference yesterday.

The management of Garuda, as Merpati's parent company, will soon appoint a successor to Ridwan, he added.

He said the decree on the appointment of the new chief of Merpati will be issued after Garuda's president Supandi, who is accompanying President Suharto during his current visit to the United States, returns home.

However, Sikado hastily added that "Ridwan's replacement has nothing to do with the controversy caused by his refusal to lease 16 CN-235-200 aircraft."

Speculations about Ridwan's imminent replacement were rife following his blunt announcement early last week that the airline would not lease 16 CN-235-200 aircraft from PT Arthasaka Nusaphala because they were too expensive.

His firing seemed even more certain after Minister of Transport Haryanto Dhanutirto reportedly sent a letter to the Garuda management demanding Ridwan's replacement.

But Sikado said yesterday that the plan to replace Ridwan, who assumed his top position at Merpati in 1992, has been underway for four months ago, long before he went public with his controversial statement.

"I really don't understand why Ridwan decided on the refusal while negotiations are still underway. Neither do I know what's going on with Merpati," Sikado said.

Ridwan argued that his refusal to lease the CN-235-200 aircraft was caused by the too-high fee, US\$110,000 per unit a month, demanded by Arthasaka.

Moreover, he contended, the 14 CN-235-10's currently operated by Merpati have been causing the airline to lose money due to high operation costs.

According to Sikado, the 16 CN-235-200's must be leased as the government has no money to buy them. "Based on our calculation, the monthly leasing fee will reach \$105,000 per aircraft."

Sikado added that other directors of Merpati — Budhiarto Subroto, Amin Kahar and Syarifudin Iterudin — respectively directors of operation, finance and commerce will also be replaced soon but he did not elaborate.

Informed sources at the ministry of transportation nonetheless believed that Ridwan's replacement had been prepared by Haryanto before the widely-publicized rejection of the aircraft which is made by the state-owned PT IPTN [Nusantara Aviation Industry] aerospace company in Bandung.

**Military Releases 35 Separatist Rebels in Aceh**

*BK1311141995 Jakarta KOMPAS in Indonesian  
13 Nov 95*

[Unattributed report — received via Internet]

[FBIS Translated Text] Lhokseumawe, KOMPAS — A total of 35 detainees who were arrested for their involvement in GPK-AM [Free Aceh-Security Disturbance Movement] have been released after they pledged an oath of allegiance to the unitary state of the Republic of Indonesia. Six of them even received military training at the Tajura Camp in Lybia, while four others received military training in a neighboring country.

Speaking at the ceremony in Lhokseumawe on Friday (10 November) to release the former detainees, Colonel (Cavalry) Robik Mukav, commander of the Lilawangsa 11th Area Military Command, said those released had not been arrested because of wrong information. They had clearly been involved in a movement that created hardships for the people in Aceh.

Col. Robik said the decision to release them reflects the strength of ABRI [Armed Forces of the Republic of Indonesia], which receives support from the Aceh regional government. The decision is also in keeping with the ABRI policy that the GPK-AM problem should be resolved in an Islamic way. "This proves that the government is giving fair treatment to its subjects. The government, especially ABRI, resolves its citizens' problem in a manner that is devoid of hatred and hostility," Robik said.

Col. Robik added that the security situation in Aceh is now far better than several years ago. People in Aceh should be grateful for this fact. Civilian officials and North Sumatera Islamic leaders also attended the ceremony to release the former GPM-AM detainees.

**Resistance: Foreigners Deported From E. Timor**

*BK1111093095 (Internet) INDONESIA Listserv  
in English 11 Nov 95*

["Flash" Report by the National Council of Maubere Resistance on 9 November on the Expulsion of a Pilgrim Group]

[FBIS Transcribed Text] Seven persons of different nationalities, on a peace pilgrimage inside East Timor were deported today from the capital town of Dili. They are expected to arrive in Bali, Indonesia at 2:00 p.m. today [0700 GMT, 9 November] enroute to their respective countries. Among those deported were the following: Jurgen Meier, German MP. Daniel Botha, Namibian. Brian Brown, American. Reed Brody, American. Li-

onel Fogarty, Australia (aborigine). Andrew McNaughtan, Australia. Wilson, Australia.

They are part of an international delegation of luminaries that planned to lay a wreath and pray at the Sta. Cruz cemetery in memory of the almost 300 massacre victims in 1991.

Another group of nine led by Japanese Bishop Aloisius Nobuo Soma was barred from boarding their plane in Surabaya, Indonesia en route to Dili this morning.

**Immigration Asks Foreigners To Leave East Timor**

*BK1411072995 Jakarta Radio Republik Indonesia  
Network in Indonesian 0000 GMT 14 Nov 95*

[FBIS Translated Text] As many as 18 foreign visitors or tourists have been asked to leave East Timor following the attempt by a number of foreigners to commemorate the Santa Cruz incident in Dili. J. Tri Iswoyo, head of the Dili Immigration Service, said yesterday that the request for the foreigners to leave the territory was based on immigration procedures under Law No. 09/1992, because Indonesia is a state based on the rule of law. Tri Iswoyo hoped that the foreigners would happily comply with the request for the sake of their own safety, as provided for under the law.

**Laos**

**Radio Reports Joint Lao-U.S. MIA Operation**

*BK1111121895 Vientiane Vitthayou Hengsat Radio  
Network in Lao 0000 GMT 11 Nov 95*

[FBIS Translated Text] According to a recent news report from the Information Department of the Foreign Affairs Ministry of the Lao People's Democratic Republic, continuing to pursue the Lao Government's humanitarian policy and responding to a request by the U.S. Government and families of U.S. personnel missing in action [MIA] and of victims of the war in Laos, Lao and U.S. technical teams have implemented the Lao-U.S. joint operation plan for 1995-96 and have jointly conducted MIA surveys and excavations in southern provinces from 5 to 3 November 1995 [dates as heard].

During this joint operation, technical teams carried out work in 10 out of a total of 13 cases. Of the 10 cases, one case will be resurveyed, two cases have been proposed for excavation, five cases have been proposed for suspension, and two others have not been completed.

Regarding the excavations, the joint technical team conducted excavations in four out of 11 cases in Khammouane Province—one case in Saibouathong District and three others in Boualapha District. The excavation has been completed only in two cases, in which bones

and some significant remnants were found. This evidence will be taken to the United States for further research. The remaining cases will be excavated during the next operation.

This was the first joint MIA operation of the 1995-96 cooperation plan. It was the 46th joint operation between the Lao and U.S. technical teams. Though the joint operation on this occasion took place in remote areas, the technical team has successfully overcome all difficulties, and the operation was carried out in an effective manner.

#### **Siphandon Greets Cambodian Leaders**

*BK1311112795 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Nov 95*

["Congratulatory message" from Prime Minister Khamtai Siphandon to Prince Krompreah Norodom Ranariddh, first prime minister, and Samdech Hun Sen, second prime minister of the Kingdom of Cambodia, on the occasion of Cambodia's 42d independence day; date not given]

[FBIS Translated Text] Respected Prince Krompreah and Samdech [honorific title] Hun Sen, on the occasion of the 42d anniversary of the independence day of the Kingdom of Cambodia, on behalf of the Government of the Lao People's Democratic Republic and in my own name, I would like to extend my warm congratulations and best wishes to you, the two prime ministers, and, through you, to the Cambodian Government and all of the Cambodian people. I hope that the Kingdom of Cambodia always enjoys peace and prosperity.

The Lao Government and people are very pleased with the continual development of friendly relations and cooperation between our two countries in recent years, especially following the historic visit to the Kingdom of Cambodia by his excellency the president to our country early this year.

I firmly believe that the fraternal relations of good neighborliness between Laos and Cambodia will be further strengthened for the common interest of our two countries and for peace, stability, and cooperation in Southeast Asia and in the world.

#### **Phoumsavan Sends Greetings to Cambodian King**

*BK1311091695 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 9 Nov 95*

["Congratulatory message" from President Nouthak Phoumsavan to Cambodian King Norodom Sihanouk

on the occasion of Cambodia's 42d Independence Day; date not given]

[FBIS Translated Text] Your Respected Majesty, on the occasion of the 42d anniversary of the Independence Day of the Kingdom of Cambodia, on behalf of the government and people of the Lao People's Democratic Republic and in my own name, I have the great honor to extend my warm congratulations and best wishes to you, Your Majesty. I wish you happiness and longevity. Through you, I would also like to extend my congratulations to the Cambodian Government and the entire Cambodian people. I wish them happiness and prosperity.

I firmly believe that with your great ability, the Kingdom of Cambodia will continue to develop with every passing day and the Cambodian people will enjoy a better and happier life. I am very pleased to see that in recent years the friendly relations and cooperation between our two countries have been further strengthened. I would like to take this auspicious opportunity to express my wish that the longstanding, fine, traditional relations between Laos and Cambodia will be further strengthened and bear more fruit.

### **Philippines**

#### **MNLF Leader Warns of War in Mindanao**

*BK1411095695 Quezon City DZBB Radyo Bisig Bayan in Tagalog 0800 GMT 14 Nov 95*

[FBIS Translated Text] War may break out in Mindanao. Nur Misuari, Moro National Liberation Front [MNLF] chairman, said that war may break out in Mindanao if the peace talks fail. The talks are scheduled for 29 November, the third and possibly final round of talks between the Ramos government and the MNLF.

Misuari said he is not discounting the possibility that the final round of talks in Jakarta, Indonesia will lead to total peace in Mindanao.

Meanwhile, the Armed Forces of the Philippines [AFP] is prepared for any steps the Muslim rebels may take if the third round of peace talks between the government and MNLF fail.

According to Defense Secretary Renato De Villa, the Muslim rebels threat to instigate violence is an old threat. The AFP, however, is not dismissing it. The Muslim rebels in Mindanao warned earlier that December will be bloody if the peace talks fail.

In the meantime, Abu Sayyaf leader Abubakar Abdurajak Janjalani is reportedly hiding in Manila. De Villa said this report is still unconfirmed.



**Ramos Stresses Economic Interdependence**

*BK1011043395 Quezon City Radio Filipinas  
in English 0230 GMT 10 Nov 95*

[FBIS Transcribed Text] Increasing China's economic interdependence with the rest of the region will ensure peace in Asia-Pacific despite a continuing dispute over the Spratly Islands. This was announced by President Ramos yesterday.

President Ramos admitted at a gathering with foreign correspondents that during a visit to Hawaii last month, he openly identified China as the greatest potential military threat to the region. However, he denied charges by the opposition that this was a veiled call for the return of U.S. forces to the Philippines following the closure of Washington's military bases in this country in 1992.

President Ramos said that it will not be for our military cooperation or military alliances or defense systems or an arms buildup that will ensure the stability of the Asia-Pacific region, but our economic interdependence.

President Ramos also noted that China had agreed on a code of conduct with the Philippines to ensure against the outbreak of hostilities in the Spratlys, adding that Vietnam had agreed to a similar code this week.

The Philippines, China, and Vietnam along with Brunei, Malaysia, and Taiwan all have conflicting claims to all or part of the Spratlys, a chain of allegedly oil-rich islands in the South China Sea.

**Senator Comments on Laundering Drug Money**

*BK1011042995 Quezon City Radio Filipinas  
in English 0230 GMT 10 Nov 95*

[FBIS Transcribed Text] A Philippine senator said Thursday syndicates operating in the Philippines are laundering drug money mainly in Hong Kong and Taiwan banks.

At a forum with journalists, Senator Vicente Sotto III said the drug rings, financed mostly by Chinese-Filipino businessmen, launder an estimated P [pesos] 400 million or \$16 million a month.

Citing police intelligence sources, he said some of the drug financiers have been identified and their activities monitored but the government cannot pin them down because it lacks hard evidence.

Sotto is co-chairman of the Senate Committee on Illegal Drugs and a leader of the civic group Citizens Drug Watch.

He said the drug traffickers have continued to expand their operations in the Philippines and that a well-coordinated campaign is necessary to stop them.

Police Narcotics Command Director Rex Piod said arrests and prosecutions are hampered by the absence of a specific law penalizing the laundering of drug money.

Sotto had said earlier that drug rings in the Philippines have made the country a major exporter of illegal methamphetamine crystals known locally as shabu. Drug shipments reportedly go to the mainland United States through Hawaii. Raw materials coming mostly from China are reportedly processed in laboratories in the Philippines. Officials say the Philippines is also a major source of marijuana.

**Thailand**

**Banhan Previews Osaka Meeting With Clinton**

*BK1511114695 Bangkok KRUNGTHEP THURAKIT  
in Thai 15 Nov 95 pp 1,6*

[Unattributed report]

[FBIS Translated Text] U.S. President Clinton may have to shorten his stay in Japan by one day due to political problems in the United States. As a result, he may have to cancel his planned meetings with leaders of various countries.

Prime Minister Banhan Sinlapa-acha disclosed that he is scheduled to hold an official 15-minute meeting with the U.S. leader on 18 November during his participation in the Asian-Pacific Economic Cooperation (APEC) summit in Osaka this week. It will be the first meeting between leaders of the two countries.

The prime minister said that the issues to be brought up for discussion would concentrate on liberalization of trade and investment, U.S. investment in Thailand, such as in the glass industry, and Thailand's support for the opening of markets for agricultural products, which will also be included in the APEC meeting agenda.

The prime minister said additional consultations would be held with the U.S. President on the Thai-U.S. aviation agreement, to ensure fairness for both sides, and on the ongoing negotiations on double taxation avoidance to benefit the bilateral trade and investment between the two countries. Thailand and the United States are expected to sign an agreement on double taxation avoidance in February 1996.

Asked by a reporter whether or not he would raise for discussion with the U.S. President the rejection of entry visa applications from Thai politicians over their suspected involvement in drug trafficking, Prime

Minister Banhan replied that, if the U.S. President does not mention this issue, he would clarify Thailand's consistency in implementing its narcotics suppression policy and inform the President about the remarkable achievements made by the Narcotics Control Board in narcotics suppression and in eliminating drug offenses.

Asked about the request submitted through the Ministry of Foreign Affairs by Colonel Thanat Khoman, chairman of the Public Inquiry Committee, for the United States to provide evidence to substantiate its drug accusations against the Thai politicians, the prime minister said the evidence from the United States is in the form of verbal statements. So far, the United States has no clear evidence to prove that Thai politicians are involved in drug trafficking.

Asked when the U.S. narcotics accusation controversy will end, Banhan replied that it will certainly come to an end. The Public Inquiry Committee was instructed to act quickly. This will not be allowed to drag on for five or 10 years.

Asked if it is possible that he would ask for evidence of the U.S. drug charges against Thai politicians during his meeting with the U.S. President, the prime minister said that he would probably not do that. The Thai side's stand is clear. He had no evidence to give to the U.S. side either. The Thai Government only has evidence to incriminate Thanon Siriprichaphong, who is now being prosecuted according to judicial procedure.

#### Plans To Raise Drug Charges

BK1511031895 Bangkok THAILAND TIMES  
in English 15 Nov 95 p A1

[Unattributed report]

[FBIS Transcribed Text] Bangkok — Prime Minister Banhan Sinlapa-acha will raise US drug allegations in talks with US President Bill Clinton during his brief meeting on bilateral issues with the president Friday [17 November].

The prime minister's move will follow a report by the US Drug Enforcement Agency (DEA) on drug trafficking in Thailand to the Thais.

US officials have alleged some top Thai politicians are involved in drug trafficking or trading. At least two political leaders in Banhan's Chat Thai Party have been denied entry visas to the US.

The premier confirmed yesterday that he will meet with the US president for about 15 minutes in Osaka Friday during the bilateral face-to-face meeting.

[B]angkok BANGKOK POST in English on 15 November carries a similar report on page 8. Reporting that

the Clinton-Banhan meeting might be canceled due to the U.S. budget crisis, the paper notes: "Mr. Banhan attaches much importance to his meeting with Mr Clinton. A source said he sees the United States as a superpower and expects the meeting to help boost his importance at home."

"I assure that the issue of the two Chat Thai Party key members (Wattana Atsawahem and Narong Wongwan) allegedly involved in drug trafficking will end soon," the prime minister said.

The prime minister said the DEA's document was just a report which did not specifically accuse any Thais and he has to weigh if it is reliable.

Earlier this year, Thanong Siriprichaphong, a former [Chat Thai] MP from Nakhon Phanom, was convicted in a criminal court of trafficking drugs into the US. Thanong's case is now in the Appeals Court.

But Wattana's and Narong's cases were different from that of Thanong, insisted the prime minister.

"They (the US) just mention with whom our men (Wattana and Narong) were meeting. That does not necessarily imply that they know anything about the allegations," said Banhan.

The premier said he would reassure the US president that Thailand has a tough policy in curbing drugs and it is not a drug-producing country.

Foreign Affairs Minister MR [Mom Ratchawong — member of royal family] Kasemsamson Kasemsi said the DEA document, submitted to him by US officials in New York last month, was already sent to the prime minister.

Responding to questions, Kasemsamson said he regarded the document as both information and evidence, and there would not be any problem if it is disclosed to the government-appointed fact-finding Public Hearing Committee.

"If the chairman of the committee wants it, he should asked for it directly from the prime minister," said Kasemsamson.

The Banhan government set up the committee over one month ago to investigate into drugs allegations made against top Thai politicians by the US. The committee is headed by Thanat Khoman, the outspoken former minister of foreign affairs.

"I want the case to be finished for the sake of Thai-US bilateral relations," said Kasemsamson.

Addressing the UN General Assembly last week, Thanat alleged that the US was the world's largest place for

money laundering. The speech had sparked criticism from US officials.

However, Thanat said yesterday that his allegation was not without reason but he used information from the New York Times.

The government has played down Thanat's remark.

The prime minister leaves this weekend for Japan for the summit meeting of the Asia-Pacific Economic Cooperation forum (APEC) in Osaka.

Banhan will also talk with the US president on a few other issues, including Thai-US aviation cooperation and the double taxation prevention agreements.

#### **APEC Asked To Fulfill Bogor Declaration**

BK1411073595 Bangkok *THE NATION* in English  
14 Nov 95 p A4

[Editorial: "APEC: Time To Move Forward From the Bogor Declaration"]

[FBIS Transcribed Text] Yesterday, meetings between the foreign and trade ministers of the Asia-Pacific Economic Cooperation [APEC] forum began in Osaka ahead of the APEC leaders' summit this Sunday.

APEC's profile has certainly risen following the first leaders' summit held in Seattle in November 1993. World attention from Seattle helped the 18 leaders in the economic forum create the momentum that lead to the 1994 Bogor Declaration in Indonesia.

The Bogor Declaration was a major commitment by APEC leaders towards achieving free trade and free investment flows among member countries by 2020, and 2010 for industrialized economies. In Osaka, it remains to be seen how the APEC leaders are going to implement those obligations.

Because of this, all eyes will be on the Osaka summit. The most asked question will be whether the Bogor Declaration was mere rhetoric or if it can be translated into reality? APEC countries will be discussing practical policies that members can develop and implement and it would only be natural for enthusiastic supporters to want to see the group mature as fast as possible.

#### **Free trade deadlines**

As it is right now, APEC is a valuable global forum for trade negotiations and so it is in no one's interest that there should be a breakdown in the Osaka summit, though there are strong differences between member states over the emphasis and approach towards free trade deadlines.

The first step in Osaka that urgently needs to be taken in order to realize free trade in 2010 and 2020, as stipulated in the Bogor Declaration, will be the implementation of individual action plans by APEC member states which can be developed through to the next meeting in the Philippines in 1996.

There must be credible measures undertaken by member countries like the United States, Australia and Japan in order to instill confidence among the rest in the group that market liberalization trade concessions and facilitations will, in fact, happen in the 21st century.

Because of this, as some economists have put it, trade "downpayments" are necessary. These "downpayments" refer to the abolishing of barriers like tariffs, quotas and quantitative agreements on the flow of goods and services from one APEC member state to another. These are radical, but they have been agreed to in Bogor and so APEC countries need to respect those commitments.

Trade facilitations involving a series of measures to reduce barriers to trade in the Asia-Pacific need to be seriously taken into consideration in Osaka. Paying mere lip service is just not enough. Issues like different customs procedures, varying regulations on investment, diverse product standards and unclear qualifications for the movement of people to work in specialized industries in different APEC countries, have to be tackled with a view of getting them resolved before the Manila summit next year.

Working groups have to be set up in order to get an agreement on common standards and how traditional tariffs and quotas that are impeding trade in the rapidly growing Asia-Pacific region can be done away with.

Ironically, a major impediment to the Osaka summit will come from host country Japan, which is reluctant to meet the free trade deadline of 2010 on agriculture.

#### **Japan's long-term interests**

At the moment, there is some tension between Japan's long-term interests as an international trading country in the Asia-Pacific and some of the shorter term problems it faces in its political system. The current coalition government under Prime Minister Tomiichi Murayama has some difficulty trying to make crucial political and economic decisions that need to be taken if Japan wants to realize its role as a leading APEC player. And this has been evident in the lead up to Osaka.

Because of divisions and tensions within the Murayama coalition, Tokyo has been hard pressed to take decisive steps regarding key issues to be discussed in Osaka. It has to be realized that Japan will not be able to resolve all its problems on agriculture, and differences towards a



Japanese commitment on liberalizing agricultural trade this year will prevail, regardless of external pressure.

Nevertheless, it is fair to say that Tokyo remains committed towards free trade in the Asia-Pacific region and because of this Japan should be given more time to handle the opening of its agricultural markets within the APEC framework.

#### **Editorial Views APEC 'Protectionist Forces'**

*BK1511104595 Bangkok THAILAND TIMES  
in English 15 Nov 95 p A4*

[Editorial: "APEC a Bridge to Free Trade or a Protectionist Fortress?"]

[FBIS Transcribed Text] Whether the powerful member economies of APEC, (Asia Pacific Economic Cooperation) are willing to support the views of the Asia-Pacific community or whether they force-feed their own views and agenda onto the developing member countries of the forum will be the bottom line at the APEC summit meeting in Osaka.

Nevertheless, APEC has the potential of becoming the mediator, connecting the various free trade areas which fall within the organization, for instance, in disputes between NAFTA (North American Free Trade Agreement), AFTA (ASEAN Free Trade Area) and the Australia-New Zealand Trading Arrangement. But with the pre-summit wrangling already in the open it may eventually lead to a split in the middle of the developed nations within APEC.

APEC was created within the Asia Pacific region as a forum for discussing economic issues that concern the region, especially private sector participation in the developments of the area. It was to collect and disseminate information. It was to serve more as a consultative body than a trading post towards which it is being led to by the richer nations.

How effectively it will be able to accomplish this role will ultimately depend on the circumstances and credibility of the forum, and of course, on the commitment and the comprehensive outlook of the 18 leaders of this regional organization.

Within APEC there is also the development of the East Asian Economic Caucus (EAEC) to be considered. While APEC brings together the Asia-Pacific community, the EAEC draws together only the Asian elements within the entity. EAEC member countries have a substantial and significant market with rising purchasing power. But in forming the caucus they have provoked grave opposition from the United States.

The fear that the caucus could have unrivaled economic clout if Japan becomes a leading player is obviously not unfounded, and this represents a serious threat, especially to the United States. But indications Japan will play a neutral role within the caucus to please America, its largest trading partner, and thereby diminish somewhat the prospects of a vibrant and strong economic negotiating stance in the region.

No doubt, the caucus offers its members an opportunity to improve trade and investment links amongst themselves. In fact, East Asian giants within the proposed group such as Japan, South Korea and Taiwan are large investors in other member countries especially in the ASEAN member states. EAEC as an ASEAN initiative, therefore, has the potential to become an effective economic entity without becoming a free trade bloc.

The formation of free trade areas has given rise to concerns over whether protectionist forces will win the day. Yet the greater successful inter-dependence amongst countries in the global economic and trade environment implies that a protectionist fortresses can be self-defeating.

Although countries can attempt to insulate themselves from much-needed changes, it is industry that sets the pace of reform and development. As long as markets offer opportunities to be profitably exploited, capital, skills and technology will move across borders.

The political realities of economic growth affirm that countries have to be cognizant of their own interests if national welfare is to be maintained. Increasing competition from abroad, which has been felt by economies with a history of subsidizing and industry protection, has led to politically untenable policy options for many of them. The ability to keep competition at acceptable levels inside free trade areas offers politicians a unique solution to ward off an impending economic eclipse.

The challenge for the smaller trading regions will be to seek ways in which the discriminatory trade policies of major trading partners can be overcome. As long as these imbalances exist in the global trading arena, it is difficult to perceive free trade areas as bridges to trade liberalization.

The likelihood is that regional groupings of all shades will trade amongst themselves with much less vigor than before and gradually draw themselves into trade blocs. Hopefully, by then politicians, economists and industrialists will rediscover the benefits of the free international trade and competition of yester-years.

**Article Notes Foreign Ministry's Changing Role**

**BK1411105095** Bangkok *THE NATION* in English  
14 Nov 95 p A6

[Article by Atchara Deibunmi: "Foreign Ministry's Role Expands Along With Global Economic Aspiration"]

[FBIS Transcribed Text] The Thai Foreign Ministry has been very busy, but increasingly the schedules reflect a noticeable change from the agency's traditional role as an institution responsible for smoothing political relationships with the rest of the world.

Steadily, the ministry has had to function as a trade negotiator with a priority to tackle trade problems that Thai businessmen encounter.

"We've got only five years to complete our change or other countries will surpass us (in terms of economic prosperity)," said Siri Thiwaphan, chief adviser to the foreign minister.

"Experience from visits to Dubai and Johannesburg, which are important centres in the Middle East and Africa, told us we just can't simply be satisfied with our current status," he said.

Problems with neighbouring countries — Burma, Laos, Cambodia and Vietnam — which have long been kept as buffer states, as well as the dramatic change in the global trade environment have led the ministry to adopt the new concept.

Under the World Trade Organization and free-trade agreements such as the Asia-Pacific Economic Cooperation (Apec) and ASEAN Free Trade Area (AFTA), having such buffer states was not a workable idea. Thailand needs to render more assistance to its neighbours so they can complement one another in achieving prosperity.

The ministry began its changing role by organizing Kathin (Kathin merit making) rituals this year with three of its neighbouring countries — Cambodia, Laos and Burma — in order to smooth political conflicts which otherwise might hinder bilateral economic cooperation. The ministry gave Bt [baht] 500,000 to Thai temples in the three countries and the events were supported by His Majesty the King.

And according to Kopsak Chutikun, director general of the ministry's economic affairs department, the Kathina might be held annually if the events this year lead to satisfactory results.

And according to a high-ranking official, the programme might be enlarged to encompass other Buddhist countries.

Business trips and exhibitions have already been lined up for next year in an attempt to improve the existing business environment overseas, and to explore new opportunities for Thai businessmen.

In January, trips to Sri Lanka, India and Bangladesh have been organized in a bid to help construct "quindrangle" economic cooperation among five countries in the Indian Ocean, including Burma.

There will also be missions to the central and southern Americas — to countries such as Panama, Mexico and Chile — which might be potential sites for Thai fishery firms, as such firms have long encountered difficulties with other Southeast Asian nations, especially Malaysia and Burma, over fishing rights.

Investment-promotion exhibitions will be held on five world trade areas Europe, the United States, Africa, the Middle East and Australia to sound out the opinions of foreign business communities and the results would hopefully determine what direction the ministry should go.

Frankfurt, Chicago, Johannesburg, Dubai and Sydney might possibly be locations for the exhibitions. The sixth would take place in Bangkok in November where businessmen from around the world were to gather at the "Thai Economic Summit".

Kopsak believed that no political change would disrupt the planned exhibitions to commemorate the 50th anniversary of King Phumiphon's coronation.

But planned changes might not materialize without cooperation from other agencies, notably the Commerce Ministry, as trade is its key responsibility. Thanks to the establishment of the International Economic Relations Committee, under the responsibility of Deputy Prime Minister Amnuai Wirawan, which oversees both the Foreign Affairs Ministry and the Commerce Ministry, cooperation with the Commerce Ministry could be anticipated.

The Tourism Authority of Thailand was also expected to join the move to promote Thai tourist destinations, led by the Thai Airways International Plc.

"While the Foreign Affairs Ministry is a spearhead, the Commerce Ministry will carry out the operations. We must join forces to maximize the benefits from our budgets rather than individually carrying out our plans. The Foreign Ministry is willing to be the coordinator," Kopsak said.

To facilitate overseas investment, the National Economic Council should be set up and operated in a similar manner to the National Security Council, which safeguards national security.

"The National Security Council succeeded in curtailing the communist threat in Thailand as suggested by the Domino Theory. We're now in an economic crisis and the National Economic Council would be similarly successful in handling all our economic difficulties," Kopsak said.

The council would comprise representatives from the public and private sectors, he said.

Internal restructuring was also expected after the economic summit to ensure the ministry eventually accomplishes its ultimate goals.

In the plan, officers with economic backgrounds would become permanent economic officers who would not be rotated to non-economic departments. At least one would be posted to overseas units where assistance was needed in sustaining Thailand's economic security, besides its political security.

The officers might one day be promoted to become economic diplomats who would work as negotiators assisting conventional diplomats. And there might be an economic permanent secretary.

Kopsak said rotation causes discontinuity and that was a "weakness" in international policies. Without rotation to other departments, the economic officers could gather all necessary information from all state agencies and that would enable the ministry to become the spearhead for investment.

However, Kopsak said that the Civil Servant Council's rules over the rotation of government officers might obstruct the new promotion scheme but "this could be taken as an internal matter (which could be excluded from the rules) like the Department of Treaties and Legal Affairs which consists of only legal experts."

To prepare for the internal change, two official-level meetings took place earlier this year in Brussels and Mexico and the third will be held next month in Dubai. And officials from around the world will convene in August, next year, in Bangkok and would be given the opportunity to choose which department they wish to work in according to their background and knowledge.

Diplomat-level meetings were also planned.

"The private sector has the potential (to penetrate overseas businesses) but they need to cooperate with the public sector rather than doing it alone. To boost the private sector's competitiveness, changes must be done now or we will not be able to adjust to the changing world, especially concerning 2020 when Apec's trade agreements would lead to full liberalization in the region" he said.

Said Siri "Without any new attempts, we cannot sustain economic growth, not to mention living up to the forecast that Thailand will become the world's 8th largest economy by the year 2020."

#### **Banhan To Drop Surakiat, Newin in Reshuffle**

*BK1411061595 Bangkok THE NATION in English  
14 Nov 95 pp A1,A3*

["Political Desk" report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha has decided to replace Finance Minister Surakiat Sathianthai with Deputy Prime Minister Amnuai Wirawan or a non-MP with more experience, a source close to the premier said yesterday.

Surakiat's deputy, Newin Chitchop will also be replaced in a limited Cabinet reshuffle, planned at the New Year.

The news of Banhan's decision came as Surakiat made a further effort yesterday to prop up the sagging Stock Exchange of Thailand by announcing a credit line package to the tune of Bt20-Bt30 billion.

Surakiat, a close confidant of Banhan and a non-MP, has been under pressure to do something about the stock market, which has been in the doldrums because of domestic political, and other external, factors.

But the source told The Nation that Banhan is not removing Surakiat due to incompetency, but rather because of political considerations in which the premier is expected to retain the more politically-sensitive Interior post.

"The prime minister will be replacing Khun Surakiat with much regret because he has been working hard to try to prove his critics wrong. But Banhan has been left with no choice but to carry out the limited Cabinet reshuffle," the source said.

According to the source, who asked not to be named, the prime minister would make Surakiat his adviser while Newin, a controversial Chat Thai MP from Buriram, would be re-assigned as a deputy minister in another ministry.

"The prime minister will have to reshuffle the Cabinet eventually because Khun Surakiat and Khun Newin have become a serious liability in the coalition government," the source noted.

The source added that Banhan would either ask Nam Thai Party leader and Deputy Prime Minister Amnuai Wirawan, currently in charge of economic affairs, to take over the Finance portfolio, or persuade a well-respected non-politician to assume the position.



Candidates for the finance ministry's top job are Bodi Chunnan, who retired as chief of Budget Bureau in September this year, and Wiraphong Ramangkun, a well-known academic-turned-banker and a former finance minister, the source said.

The source said Banhan is reluctant to break the news to Surakiat and Newin because he does not know how to do it without hurting their feelings.

Khun Surakiat, in particular, is a very sensitive person," the source said.

The source said Surakiat would be reassigned to advise Banhan on international relations and economic issues.

On Newin's transfer to another ministry, the source said Banhan would try to find a new position for the current deputy finance minister that would be acceptable both to Newin and his Thoe Thai faction.

But the prime minister still has no idea on what job to give Newin after his removal from the Finance Ministry," the source said.

Banhan has on several occasions ruled out a Cabinet reshuffle in the foreseeable future, saying that the government would concentrate on the more urgent issue of carrying out relief operations for hundreds of thousands of flood victims all over the country.

The prime minister has been under pressure from his coalition partners, as well as members of Chat Thai Party, to carry out a Cabinet reshuffle to try to shore up the government's credibility in the eyes of the public.

Phalang Tham leader Thaksin Chinnawat, who has publicly called on Banhan to reshuffle the Cabinet several times in recent months, said he believed the prime minister would need some more time to make up his mind on the matter.

Thaksin has been snubbed by the prime minister over his suggestions.

"I believe the prime minister will seriously think about a Cabinet reshuffle once he returns from the APEC summit in Japan later this month," Thaksin said.

On Phalang Tham's position in the Banhan administration, Thaksin said the party continued to enjoy a good working relationship with other coalition parties.

"We are still with the government today. But I cannot tell what the future has in store for us."

Surakiat organized a luncheon meeting at the Princess Hotel yesterday with Bank of Thailand Governor Wiclit Suphinit, Securities and Exchange Commission Secretary-General Ekkamon Khirawat, Stock Exchange of Thailand President Seri Chintanaseri and Krung Thai

Bank President Sirin Nimmanhem to discuss ways at shoring up the stock market.

#### **Editorial Questions Premier's Political Sincerity**

BK1511105795 Bangkok THE NATION in English  
15 Nov 95 p A4

[Editorial: "Political Reform: A Serious Question of Sincerity"]

[FBIS Transcribed Text] Monday's atmosphere of near reconciliation between the Banhan government and political activists who had just walked out on the administration two days earlier only adds ambiguity to what has been critically dubbed as a farcical political reform episode.

Chumphon Sinlapa-acha was on the verge of tears when he formally acknowledged the mass resignation from the public relations subcommittee of the Political Reform Committee [PRC]. The other side, led by Confederation for Democracy [CFD] chairman San Hathirat and three other CFD members also acted like lovers being ditched. The men shook hands amicably with Chumphon, while Prathip Ungsongtham Hata hugged the PRC chairman.

An equally cordial meeting took place between the CFD people and Prime Minister Banhan Sinlapa-acha, who told them to be patient. Banhan uttered sweet words, saying the government will seriously push for the writing of a new charter promising that it would incorporate political reform. CFD's leading members in return vowed to give the government more time to prove its worth.

#### **New hopes?**

And after that things went on in an all too-familiar way. The activists emerged from the meeting voicing new hopes. "The prime minister promised us that he will undertake political reform," Prathip said. "He said he had already reached the highest point in his political life and wants to take this chance to do good for the country."

The CFD members, however, did not reverse their decision to resign. What's disappointing, however, was the nonconcern expressed by the pro-democracy activists when Chumphon tried to blame the media for their walkout.

The resignation, claimed the PRC chief, could have been influenced by "inaccurate" press reports suggesting San joined the PRC because he wanted to become a senator, and had unsuccessfully asked the premier to cough up Bt [baht] 30 million for a political reform campaign fund.

To some, however, the CFD might have just wanted to abandon a sinking ship. It is clear that the Banhan government has an image problem with the majority of Bangkokians feeling let down by the old faces. The barrage of media criticism against the government has now taken on a political dimension. Because of this, it would be detrimental to CFD's interests if it was seen to be associated with politicians who couldn't give two hoots to the aspirations of the people.

But the activists in the CFD are themselves not "angels". Last year they initiated their dump-Chuan campaign in a bid get rid of the Democrat-led government of Chuan Likphai. The organization built up a strong alliance with other political action groups to back ex-MP Chalut Worachat, who began a hunger strike to press his demands for political reform.

The CFD-led crusade turned quickly into a vociferous campaign against the Chuan government despite the fact that what drove Chalut to stage his hunger strike was the Chat Thai-led opposition's conspiracy with the Senate to kill in Parliament major amendments to the constitution.

Debate over political reform has revolved around one word: sincerity. Very often when this word is used, hypocrisy also comes into play.

The CFD charged that the Chuan government was insincere, and on Saturday it turned against the Banhan coalition with a similar accusation.

#### **Lukewarm commitment**

Let there be no doubts that Banhan's sincerity towards political reform has been widely questioned from day one of his premiership. But the CFD pull-out surprisingly came at a time when the PRC was wrapping up its work and the Cabinet was about to set final dates to consider the panel's proposals.

Leaving the CFD's motives aside, it has to be emphasized that the Banhan coalition has shown lukewarm commitment to political reform. The PRC was virtually abandoned and left to do its job alone with little, if at all, input or suggestions from the prime minister. Banhan even caused a stir recently when he contradicted his election pledge by saying the government would not follow reform guidelines laid down by the Prawet Wasi Committee, set up by Parliament to defuse the Chalut crisis.

Again Chumphon is caught in the middle of the political reform fiasco. Last year, as chairman of a House charter committee, he saw his panel's proposals supported by his Democrat foes but eventually killed in the opposition-Senate "conspiracy" spearheaded by his own Chat Thai Party. Now he has given his party and elder

brother, Banhan, another chance, agreeing to work out a new constitutional reform package.

Tears that brimmed in Chumphon's eyes when he said good bye to CFD members Monday night might be sincere. He knows he has a daunting task ahead of him amidst uncertainties. But then again, the Banhan government might not last long enough for Chumphon to see his task through.

#### **Minister Unveils Cash Boost for Stock Market**

*BK1411095995 Bangkok THE NATION in English  
14 Nov 95 pp B1,B2*

[Report by Sasithon Ongdi]

[FBIS Transcribed Text] Finance Minister Dr. Surakiat Sathianthai yesterday summoned all the top regulators to a luncheon meeting before unveiling a credit line package worth Bt20-Bt30 billion aimed at boosting sentiments in the sagging stock market.

Also present at the luncheon meeting at the Princess Hotel, where tasty Chinese food was served, were Bank of Thailand Governor Wichit Suphinit, Securities and Exchange Commission Secretary-General Ekkamon Khiriwat, Stock Exchange of Thailand (SET) President Seri Chintanaseri and Krung Thai Bank President Sirin Nimmanhemin.

The stock exchange was declining by eight to 10 points for most of the day yesterday but staged a slight rally before the end of the session on anticipation that the authorities would come up with measures to cushion the market. The presence of Sirin triggered a speculation that Surakiat could use the state-controlled Krung Thai Bank (KTB) as a tool to support a certain government policy.

Surakiat, who has witnessed the sharp fall of the stock market by 17 per cent since his arrival to the high office, waited for the SET to stop trading before announcing the formation of the Bt20-Bt30 billion package. This credit line would be tapped by any finance or securities companies wishing to buy stocks into their portfolios. This, he hoped, would help improve liquidity in the stock market at a time when it is running out of fresh funds.

The finance or securities companies can pledge blue-chip stocks with the KTB and borrow the money to buy stocks into their portfolios. The KTB will charge them a minimum overdraft rate [MOR] minus 2.50 percentage points. The scheme is similar to the practical principle that will be used by the Securities Finance Corporation.

"This luncheon was not tasty at all," lamented Sirin. KTB will have to shoulder the financial burden by

supporting this package. In this short term, if the market falls further, the value of the stocks pledged as collaterals with it will also fall.

Given the MOR at 14.00 per cent, this means that KTB will charge the finance or securities companies 11.50 per cent for its lending, a level that is even below the interbank rate which is running 12.00-12.50 per cent. Sirin indicated that he did not know as yet the source of money to be put in the credit line package.

Apparently, the source of money will come from the Bank of Thailand, which is willing to pitch in fresh money to ease the illiquid market. "This measure represents a clear support from the central bank, which perceives the importance of liquidity in the capital market," said Ekkamon. "Up till now the money in the financial institutions has been rather tight, and the measure should improve the situation."

Ekkamon objected against a proposal to reduce the initial margin, currently standing at 40 per cent, arguing that it will not work and on the contrary will add more risks to the financial institutions which lend out the money for stock purchases.

But he said the credit line package, which will be around for about six months, is a whole different story because it is like opening new accounts, where investors or brokers will stand to get cheaper rates for their margin borrowings.

Wichit expressed his ready support for the credit-line package, saying that it is an appropriate measure at this point when the Securities Finance Corporation (SFC) is about to be established. The SFC, which will come around next year, is a guarantee institution set up to help the securities companies in time of liquidity crisis.

Seri indicated that the SET will consult with KTB and the Association of Securities Companies before coming up with a guideline to pick fundamentally-supported stocks which can be pledged as collaterals with the KTB. He called these qualified stocks "marginal securities".

#### **Officials Preview Fiscal Policy for 1996**

BK1111100195 Bangkok Radio Thailand Network  
in English 0000 GMT 11 Nov 95

[FBIS Transcribed Text] The Bank of Thailand will next year continue emphasizing caution and strict discipline in its fiscal policy and maintaining economic stability. Director of the central bank's Economic Research Department, Bandit Nitthawon, says the cautious approach is necessary as Thailand has faced several economic pressure resulting from inflation and the current account deficit. The director says the central bank will

curb credit extension by commercial banks and promote long-term savings. He says normally demand for export credits during two months before the end of the year is great. Commercial banks must therefore be prepared to mobilize savings to cope with this foreseen situation.

Meanwhile, Finance Minister Surakiat Sathianthai confirms that the Bank of Thailand will not depart from its current policy of setting official exchange rate for the Thai baht against a [word indistinct] weighted basket of currencies. The minister sees no need for more curbs on foreign capital flows for the time being. He says his ministry plans to set up an organization which will raise funds for local infrastructure projects through the floatation of baht-denominated government bonds.

### **Vietnam**

#### **Vo Van Kiet Receives Outgoing PRC Ambassador**

BK0411155195 Hanoi VNA in English  
1459 GMT 4 Nov 95

[FBIS Transcribed Text] Hanoi VNA Nov.4 — Prime Minister Vo Van Kiet received here today Chinese Ambassador Zhang Qing who paid him a farewell visit, before ending his term of office in Vietnam.

Chinese Ambassador Zhang Qing expressed his pleasure at the achievements recorded by the Vietnamese people in their national renovation and construction and at the fine development of the friendly and cooperative relations between the two countries. He also said that Vietnam and China would increase their commercial exchanges, cooperation and investment in conformity with each country's potential.

Prime Minister Vo Van Kiet expressed his thanks to Mr. Zhang Qing for his contributions to the consolidation of the friendly and cooperative ties between the two countries. He said he hoped that the relationship between the two parties, the two governments and peoples of Vietnam and China would see development in various fields to meet the two people's aspiration.

Prime Minister Kiet also asked Mr. Zhang Qing to convey his best regards to the Chinese Prime Minister Li Peng.

#### **Northeast Territorial Waters Confrontation Noted**

BK1111131895 Hanoi QUAN DOI NHAN DAN  
in Vietnamese 25 Oct 95 p 2

[Report by Tan Duong: "The Courageous and Smart HQ-933"]

[FBIS Translated Text] Many foreign ships have been coming to our northeast territorial waters to conduct



seismological missions in recent days, thus violating Vietnam's sovereignty on the seas. To counter this increasingly complicated situation, the officers, cadres, and combatants of the HQ-933 naval ship, under orders from their superiors, thoroughly understood their duties and were resolute in their determination and confident of their success. All preparatory technical and logistical tasks were swiftly carried out, and HQ-933 left its base and headed for the location of the foreign ships at the designated time.

Despite its small size and the difficulty of heavy seas, HQ-933 approached the target and communicated explanations and propaganda with the help of loudspeakers in order to block and chase away the foreign ships. Some foreign military and escort ships attempted to prevent our ship from approaching the target. This confrontation at sea became tense while the two sides were only meters apart. The HQ-933 ship cleverly managed to get very close to the foreign ship. The two ships were so close that they occasionally bumped into each other, but the HQ-933 was determined to stay put and not allow the foreign ship to operate its exploring cable.

The foreign fleet intended, at times, to use its advantage of large and numerous ships to mount pressure against our ship, but the cadres and combatants of HQ-933 were unmoved. After 20 days of wrestling with rough seas and enduring many moments of tense confrontation, the HQ-933 fulfilled its mission outstandingly by successfully chasing the foreign research ship, together with its escort fleet, out of Vietnam's sovereign territorial waters.

#### **Vo Van Kiet Receives ASEAN Secretary General**

*BK0811163395 Hanoi VNA in English  
1625 GMT 8 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov.8 — Prime Minister Vo Van Kiet received here this morning ASEAN Secretary General Datuk Ajit Singh who is here on a working visit to Vietnam.

The ASEAN secretary general informed Mr. Kiet of a number of the main contents arranged for the forthcoming ASEAN summit to be held in Bangkok in December 1995. He said that the summit will focus discussion on economic field and cooperation in the different fields including finance, exploitation of sea resource, development of medium and small-scale enterprises and infrastructure.

Mr. A. Singh expressed his pleasure at the Vietnamese Government's recent activities in its capacity as a full member of ASEAN such as creating favourable conditions for diplomats and businessmen of ASEAN to come to Vietnam in order to strengthen the friendly and coop-

erative relations with Vietnam and especially Vietnam has set up the national committee to control Vietnam's activities in ASEAN (National ASEAN Committee).

Prime Minister Vo Van Kiet expressed his thanks to the ASEAN secretary general and other ASEAN member countries for helping Vietnam to become a full member of ASEAN.

He affirmed that Vietnam would do her best to contribute to the development of ASEAN, in the common interest of ASEAN. He also expressed his wish for the strengthening of other ASEAN member countries' cooperation and assistance to Vietnam in key economic fields, building of infrastructure, improving people's living standard in mountainous and remote areas, and the education programmes, healthcare, safe water supply, environment and hunger eradication and poverty alleviation.

#### **UK's Trade, Industry Secretary Fraser Visits**

*BK0911161895 Hanoi VNA in English  
1239 GMT 9 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 9 — Lord Peter Lovat Fraser, British secretary of state for trade and industry, paid an official visit to Vietnam from Nov. 5-9 as guest of Trade Minister Le Van Triet.

Lord Fraser was accompanied by relevant senior officials and 20 representatives of major British companies in banking, construction, transport and power industries. Some of these companies have already been operating in Vietnam such as Standard Chartered Bank and others are expected to invest in the country.

While here, Secretary P.L. Fraser and his mission were cordially received by Prime Minister Vo Van Kiet. They worked with Minister for Planning and Investment Do Quoc Sam, Trade Minister Le Van Triet, Civil Aviation Administration Director Nguyen Hong Nhi, Oil and Gas Corporation (Petrovietnam) General Director Ho Si Thoang, and officials from the People's Committees of Hanoi and Ho Chi Minh City.

The British mission also called on British representative offices and British-Vietnamese joint ventures, and met with British investors and businesspeople in Vietnam.

In recent years, the number of British companies operating in Vietnam has considerably increased, and trade relations between Britain and Vietnam have rapidly expanded in various fields. Two-way import-export turnover in 1994 and 1995 increased from 12 to 14 times compared with 1990. Britain is also a major investor in Vietnam directly from Britain and via British companies based in regional economic centres such as Hong Kong and Singapore.

**Daily Hails UN Achievements, Urges More Reform**

**BK111153095** Hanoi NHAN DAN in Vietnamese  
20 Oct 95 p 1,4

[Editorial: "Uniting for a Better World"]

[FBIS Translated Text] High-level representatives of 185 countries are meeting in New York to solemnly celebrate the 50th UN anniversary. This is a special occasion for UN members to review together the changes in the world situation and the United Nation's development over the last 50 years. At the same time, they can outline the United Nation's direction in order to meet the expectations of all nations in the 21st century.

Through a half century of challenges with several ups and downs — sometimes even brought to the point of inactivity due to the affects of the Cold War — the United Nations still exists, develops, and affirms that it is the largest multilateral organization to participate in the political, economic, cultural, and social activities of the entire world. In reality, all nations recognize the indispensable role of the United Nations as a center to regulate the relations of all countries, maintain international peace and security, resolve world conflicts, provide humanitarian assistance, help developing countries, accelerate international cooperation in the field of development and environmental protection, and settle urgent issues in the world.

Compared to the goals set forth in its charter, it is possible to say that UN achievements are still limited and are not meeting the expectations of all the people in the world. In the complicated world situation of the last half century, however, we can say that UN contributions in various fields have been very important and encouraging. The United Nations has contributed greatly to the establishment of principles and standards in international law to regulate relations among all nations through international conventions and multilateral agreements in all areas of international life.

With its various organizations, the United Nations has performed many socioeconomic development and humanitarian assistance activities. Every year, the United Nations spends up to \$5 billion on these activities, mainly to help poor countries. As an international forum, the United Nations has created opportunities for all nations to discuss and coordinate all of the world's common issues, set up agendas for meetings, and sought public opinion on urgent world issues.

UN achievements recorded in the last 50 years are very encouraging. Compared to the scope and speed of change in the world, however, the United Nations has not adapted itself enough to suit the new situation. The United Nations is really standing now at its his-

toric turning point, with all of the great opportunities and challenges in a world situation that is fundamentally different from the day the organization was established. A series of world conflicts, the financial difficulties experienced by the United Nations itself, and other international issues—such as poverty, environment, population, drugs, AIDS, and so forth—require new efforts and approaches from the United Nations in order to execute its greater role and to meet expectations from the international community.

Reality requires the United Nations to revamp itself in order to become a truly democratic organization and to reflect the common interests and voices of all member countries. The most important content of the UN renovation and democratization is the broadening of the UN Security Council in order to strengthen its representativeness, publicity, and democratization. The renovation and democratization of the United Nations also includes the strengthening of the UN General Assembly's role and power, making the UN General Assembly an organization that widely represents the interests of all member countries.

In order to efficiently carry out its greater role and to meet the increasing expectations of all nations, the United Nations must firmly maintain its own principles. At the same time, it must adjust its directions to suit the new demands of the practical situation. UN peace-keeping activities need to strictly observe the principle of respecting national independence, integrity, and non-interference in the internal affairs of all countries and to persist in efforts to seek peaceful resolutions.

UN attention and activities need to ensure a reasonable balance between the agenda program for peace and the agenda program for development, and the United Nations needs to pay more attention to the acceleration of cooperation and development between all nations.

Together with member nations from all continents, the Vietnamese people solemnly mark the United Nation's historic day with the hope and earnest expectation that this international organization will become an efficient instrument to carry out the slogan "Uniting for a Better World". On this occasion, our people sincerely appreciate the great, practical, and efficient cooperation and assistance in various areas of the Vietnamese social life of all the organizations under the United Nations. Together with the international community, the Vietnamese people affirm their pledge to do their best to carry out the noble goal and ideals outlined in the UN Charter.

**SCCI Official Interviewed on Export Zones**

*BK1011110995 Ho Chi Minh City THOI BAO KINH  
TE SAIGON in Vietnamese 19-25 Oct 95 p 7*

[Interview with Lu Minh Chau, vice chairman of Vietnamese State Commission for Cooperation and Investment, by correspondent Phuc Tien; place, date not given]

[FBIS Translated Text] [Phuc Tien] Recently, you led the first interministerial delegation conducting investigations in all export processing zones. Is it right that the government plans to change its policy on export processing zones? Rumor has it that Vietnam will not establish any new export processing zones, will convert all existing export processing zones into industrial zones, and does not need foreign investors to participate in the infrastructure investment for export processing zones and industrial zones because Vietnam can do it itself. Is this correct?

[Lu Minh Chau] No. It is absolutely not so. There may be some who believe that export processing zones are an outdated form. The State Commission for Cooperation and Investment [SCCI], however, has no intention of converting export processing zones into industrial zones. In reality, if an export processing zone faces any difficulty in its operation, the government will find ways to solve the problem. Many countries in the world maintain both export processing zones and industrial zones, because export processing zones and industrial zones have different advantages. They will bring good results if we know how to utilize them. On the other hand, the Vietnamese Government does not have a policy of building infrastructure for export processing zones itself. At the moment, export processing zones receive three forms of investment — joint venture (for example, the Tan Thuan and Linh Trung Export Processing Zones in Ho Chi Minh City), 100 percent Vietnamese investment (the Can Tho Export Processing Zone, the Tuy Ha and Bien Hoa 2 Export Processing Zones in Dong Nai Province, and the Song Than Export Processing Zone in Song Be Province), and 100 percent foreign investment (the Tu Liem Export Processing Zone near Hanoi). Investors have the right to choose any of these three forms. Recent statements suggesting that the Vietnamese Government or individuals build infrastructure for export processing zones or industrial zones are just opinions expressed in research projects in which we study overseas experiences.

[Phuc Tien] Last week, newspapers reported that the SCCI has decided to disband the Haiphong Export Processing Zone. Is this the dissolution of the joint venture to build the Haiphong Export Processing Zone

or the disbandment of the Haiphong Export Processing Zone as a whole? Why?

[Lu Minh Chau] According to the local planning, Haiphong still has an export processing zone. Recently, the SCCI withdrew the construction license of a joint venture to build the Haiphong Export Processing Zone. The main reason for this is that the foreign partner did not pay its capital share as agreed because its business went bankrupt in Hong Kong. The door is still open for other foreign partners to participate in this export processing zone.

[Phuc Tien] There is news that the SCCI and local authorities have refused to accept new hotel and office building projects. Is it right that the SCCI plans to "retain some privileges" for local investors? Or does Vietnam have enough hotels and office buildings, and therefore no more investment is needed?

[Lu Minh Chau] There may have been misinformation on this issue. In fact, the SCCI only encourages investment projects for large hotels and office buildings with high quality. The SCCI has not "closed the door" to investment in this area. In my opinion, at its current level of economic activity and foreign relations, Vietnam still needs more hotels and office buildings, especially luxury and high class ones.

[Phuc Tien] So what types of hotels and office buildings are encouraged by the SCCI?

[Lu Minh Chau] We will discuss this.

[Phuc Tien] If foreign investors complain about Vietnamese partners not honoring business agreements, what advice can the SCCI give them?

[Lu Minh Chau] In my opinion, business partners should understand one another thoroughly before the start of their partnership. All foreign and local partners should contact the SCCI, various sectors, and local authorities to gain more information about each other when they sign memorandums and contracts. They should think carefully about the feasibility of their project to avoid investing in unworkable projects. When cheated, they should inform the SCCI immediately so that they can be assisted in solving the problem.

**Minister Views Foreign Investment Situation**

*BK1511060395 Hanoi VIETNAM INVESTMENT  
REVIEW in English 30 Oct-5 Nov 95 p 2*

["Exclusive" comments by Minister Dau Ngoc Xuan, chairman of the State Committee for Cooperation and



Investment, to VIETNAM INVESTMENT REVIEW; place and date not given]

[FBIS Transcribed Text] To discover if foreign investors are discouraged from investing in Vietnam, I think that we should look at the foreign investment situation in our country and our expectation of foreign investment prospects in the future.

In 1988, the first year of implementation of the Law on Foreign Investment, we attracted only US\$350 billion registered capital. But by 1994 this had increased to more than US\$4 billion. It is expected to reach US\$7.5 million in 1995. So, in the period 1988-1994 it increased 40 per cent a year and in 1995 it is expected to increase 80 per cent over 1994.

Implemented capital, that is the real capital volume put into the economy, however, has raised some concern. To the end of 1994 the implemented capital is expected to reach US\$6 billion. The remaining share of over US\$10 billion worth of licensed investment projects will be implemented in 1996-1998.

It takes an average of three years from the date when the investment license is issued to the date when the investment capital is completely implemented. For oil projects it is five years. This is why, in each period there is a difference between the time capital is registered and implemented.

Some 65 per cent of the investment capital of licensed investment projects is located in heavy industry, light industry, oil, cement, forestry and agricultural processing industries and as well as in the transportation, post and infrastructure sectors. The remaining 35 per cent is in the service sectors hotels, offices, banking, financing and technical services. In other words, 65 per cent of investment capital has been in production and 35 per cent in the service sector.

In general, such an investment structure fits our economic development direction for the 1990s and the early years of the next century. The average sum being invested in each project has increased to US\$20 million in 1995 from US\$10 million previously. After many years studying the investment opportunities and environment in Vietnam, a number of the world's leading companies have made large investments in Vietnam which are in line with our strategy.

To date, projects which have been disbanded account for six per cent of the total investment capital.

This figure is similar in other countries and it is unavoidable in a market economy. Many projects have applied to increase their investment capital to expand their production. In the first 10 months of 1995, total

investment capital was 2.5 times that of projects whose licences were withdrawn.

To the end of September 1995, there were more than 1,200 projects operating in Vietnam. This clearly demonstrates that foreign investors are very interested in investing in Vietnam.

Foreign investors have complained about backward infrastructure, cumbersome red tape and high risks in the Vietnamese market.

However, it is agreed that the socio-political situation in Vietnam is stable so there is no political risk. This is the most attractive side of Vietnam for them. But there are lots of economic risks affecting their business output, like high inflation; the market is unstable and accompanied by corruption and smuggling; the accounting regime is not suitable; taxation is not clear; water and power supplies are insufficient; it is difficult to transfer hard currency, etc.

In the foreign investment sector, our government has issued over 100 ordinances and laws, and has signed 26 agreements on investment protection and 8 on double tax avoidance with foreign governments. A big effort has been made but there is still not enough legal foundation for investment and cooperation.

Government bodies, from the central to the local level, have clearly recognised the unreasonable features in our investment environment.

It is clear that because of Vietnam's heavy debt burden and its need for technology, marketing and management skills as well as capital, foreign direct investment (one-third of the total investment capital of the country) will be very important. Vietnam's target for economic growth is nine to ten per cent in the coming years.

Under the preliminary estimates, in the period 1996-2000, the total implemented capital volume is expected to reach some US\$18 billion, or about three times that in the period 1991-1995.

This is a tough target. But regarding the country's situation, external relationship, economic situations in the world, many ministers considered that an achievable goal.

From 1991 to 2000, about US\$24 billion of foreign direct investment with some 2,500 enterprises attracting some 800,000- 1,000,000 skilled workers, will be needed.

**Minister Views Newly Created Planning Ministry***BK1511062395 Hanoi VIETNAM INVESTMENT REVIEW in English 30 Oct-5 Nov 95 p 1***[VIETNAM INVESTMENT REVIEW "Exclusive"]**

[FBIS Transcribed Text] LAWS governing foreign and domestic investment will be integrated to improve the efficiency of investment planning, according to Minister Do Quoc Sam, head of the newly created Ministry of Planning and Investment (MPI).

However, existing licensing procedures will not change, Minister Sam told Vietnam Investment Review

"It will be the same way as before," he said.

The MPI was created at the end of the second week of the National Assembly when deputies voted to merge the State Planning Committee [SPC], the body in charge of domestic and ODA [Official Development Aid]-based investment, of which Sam was chairman, and the State Committee for Cooperation and Investment [SCCI], which until then handled foreign direct investment matters.

The MPI officially takes over from the SPC and SCCI on November 1.

The move was part of a wider Cabinet rationalisation designed to streamline government ministries.

Sam told Vietnam Investment Review that there was now a close relation between foreign and domestic investment—at least in terms of drawing up strategies for planning Vietnam's economy.

"Foreign and domestic investment are to be merged into one in the general planning for investment. Foreigners understand that domestic and foreign investment are closely related," he said.

At present separate sets of laws exist for foreign and Vietnamese firms wishing to operate here.

Sam did not say when legislative changes might be made.

In terms of how foreign and domestic investment would be handled, Sam said if foreign investors were willing to back a project "we would welcome it. If they (foreign investors) were not we would look to domestic investment."

Sam denied that the MPI would substitute traditional economic planning with policies based on economic management.

He said the creation of the MPI would mean foreign investors dealing with just one government agency. They would now only have to knock on "one door".

Meanwhile, SCCI Chairman Dau Ngoc Xuan said in a separate interview that the MPI had been formed to create "more favourable conditions" for foreign investment in Vietnam.

"If there will be changes in the future," Xuan said, "such changes will only aim at complementing Vietnam's legal system to adjust foreign investment activity. It is a common change."

Xuan, who retained his Cabinet position in the reshuffle as Minister and head of the Evaluation Commission for State Projects, said investors need not worry about the changes. It was business as usual, he said.

**Official in Charge of EPZ Management Interviewed***BK1511070995 Hanoi VIETNAM INVESTMENT REVIEW in English 30 Oct-5 Nov 95 p 6*

[Interview with Lu Minh Chau, vice chairman of the State Committee for Cooperation and Investment and official responsible for management of Export Processing Zones in Ho Chi Minh City, by unidentified VIETNAM INVESTMENT REVIEW correspondent; place and date not given]

[FBIS Transcribed Text] [VIETNAM INVESTMENT REVIEW] How would you assess the performance of EPZs [Export Processing Zones] so far?

[Lu Minh Chau] Of the six EPZs, Tan Thuan is the most successful, with half of its area rented by over 50 businesses. The Tan Thuan EPZ joint venture is trying its best to build infrastructure in five, instead of seven years. Last year, five operating businesses exported goods worth over US\$30 million. Machines, equipment and material imported for the zone are worth US\$90 million. Businesses in the zones have recruited 4,000 workers.

All the others have difficulties. Land is the greatest concern. When an EPZ asks for a licence, it asks for a large area. But when land clearance and compensation is made, the actual size of the EPZ has shrunk (like Soc Son EPZ and Da Nang EPZ).

In the Hai Phong EPZ, the joint venture in charge of building the infrastructure had its licence withdrawn but development could still continue if there are potential Investors.

Looking at the experience in other countries, we should reexamine the scale of an EPZ. It is advisable to establish under 100 hectares and to consider conditions which ensure success before opening other zones. EPZs are a kind of concentrated industrial zone.

The only difference is that EPZs export their products. EPZs seem to fit Vietnam, but we must investigate

carefully the number and location of EPZs. They cannot be opened without paying attention to suitable positions and other factors.

[VIETNAM INVESTMENT REVIEW] Many say that EPZs are out-of-date and should be converted into import zones (IZs). What are your thoughts?

[Lu Minh Chau] Normally, there are no plans to convert EPZs into IZs; both forms have their advantages. Rather than converting them, in fact, the Government has aided EPZs which are having difficulties. There are 280 successful EPZs in 40 countries. The EPZ Association has been founded to assist them in the past 20 years.

Vietnam has been invited to two conferences and has received documents although it is not yet an official member. These documents are very useful for helping manage the operation of EPZs and for researching the feasibility of EPZs in Vietnam.

Vietnam should open IZs only after careful consideration, and not too many. Putting too many in the same place will hold back their success. Also preparation time is essential.

[VIETNAM INVESTMENT REVIEW] Do you think a disjointed management mechanism is an obstacle to the success of EPZs?

[Lu Minh Chau] Because of disjointed management, the SCCI [State Committee for Cooperation and Investment] carried out an investigation. This investigation revealed some issues that must be improved on the multi-sector, local and State level.

A local management board is needed. At the central level, an organisation is needed under the control of the State or the Ministry of Industry.

[VIETNAM INVESTMENT REVIEW] Why don't you think the management board should be under the Ministry of Planning and Investment (after the State Planning Committee and the State Committee for Cooperation and Investment are merged)?

[Lu Minh Chau] It is better to have a general department under the Government. If not, it should be under a specialised ministry. It is difficult for the Ministry of Planning and Investment to control these zones because they produce industrial products.

In some countries, the Ministry of Trade and Industry is responsible. Each locality has control over land issues, but problems related to management should be addressed by central level bodies.

[VIETNAM INVESTMENT REVIEW] With the exception of Tan Thuan EPZ, what lessons can we learn from the others?

[Lu Minh Chau] Before an EPZ is established, initial and essential factors like transportation (land, water and air), and infrastructure items (water and electrical supply) should be available. Some EPZs, which do not prepare these factors carefully beforehand, face many difficulties. Partner selection is also important. It is difficult to succeed if the partner is inexperienced or lacks resources. Also, the management mechanism should be more coordinated between the local and central levels.

[VIETNAM INVESTMENT REVIEW] What do you think about each EPZ's prospects?

[Lu Minh Chau] Da Nang EPZ can thrive because it has an advantageous position. But it must quickly cope with electrical and water supply problems. Soc Son EPZ also faces a water-supply system problem.

Linh Trung EPZ has problems with land. As soon as the land transfer is made, this zone can proceed. Hai Phong EPZ failed because it chose the wrong partner.

[VIETNAM INVESTMENT REVIEW] What issues need to be researched better to ensure the success of EPZs and IZs?

[Lu Minh Chau] Three years ago, in a Vietnam Investment Review interview, I said that EPZs were a necessary form of investment. We should not open too many EPZs because this form only thrives with the help of initial and essential factors.

As industrialisation and modernisation continues, each province needs industrialisation procedures. In the past, local businesses were scattered but it is better to group these businesses in a zone. We should investigate foreign joint ventures to construct infrastructure before granting a licence.

Cadres working in EPZs and IZs are of great importance. As a result, Vietnam needs to thoroughly train cadres as quickly as possible. In other countries, IZs & EPZs' investors are divided into three groups, who work on infrastructural construction, supplying services and producers inside the zones.

#### 10 Percent of Foreign Investments Said Annulled

BK0811071195 Hanoi VIETNAM INVESTMENT REVIEW in English 2-8 Oct 95 p 24

[FBIS Transcribed Text] ABOUT 10 per cent of all foreign investment schemes approved by Vietnam since the country's economic liberalisation began have been cancelled, Hanoi's top investment official said in Singapore last week.

"Most of the cancelled projects are of small size and were initiated in the first years" after the country



opened its doors to foreign investment in the late 1980s, Minister for State Cooperation and Investment, Dau Ngoc Xuan, said.

He added at a press conference on the fringes of an "economic summit" of government and business leaders from East Asia and Europe, that no country in particular was responsible for the scrapping of Vietnam's planned investment schemes.

His comments came days after French oil giant Total pulled out of Vietnam's biggest industrial project, a US\$1.2 billion oil refinery located on Dung Quat bay, the site, on the coast of central Quang Ngai province, had been a controversial choice.

Xuan blamed the cancellations on the failure by the firms concerned to raise the funds needed for the projects, on fluctuations in the primary resources markets triggered by the collapse of the Soviet Union in 1990 and on rows between foreign and local business partners. He did not say what the value of the scrapped schemes were.

By the end of 1995, the level of foreign investments in Vietnam is expected to reach US\$15 billion, according to estimates from the State Committee for Cooperation and Investment (SCCI).

#### **MFN Agreement, MOU Signed With Canada**

*BK1411021295 Hanoi VNA in English  
1442 GMT 13 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 13—Vietnam and Canada signed in Hanoi this morning an accord granting each other Most Favoured Nation (MFN) status to boost their bilateral cooperation during a brief visit to Vietnam by Canadian Foreign Minister Andre Ouellet.

Vietnamese Minister of Commerce Le Van Triet and Minister Andre Ouellet who arrived here this morning for an official visit, signed the accord. Mr. Andre Ouellet also signed with Vietnamese Minister of Finance Ho Te a Memorandum of Understanding (MOU) of Vietnam-Canada financial management project.

Another MOU of Vietnam-Canada project in environment was also signed by Canadian Ambassador to Vietnam Mrs. Cristine Deloges and Deputy Minister of Science, Technology and Environment of Vietnam Le Quy An.

Vietnamese Foreign Minister Nguyen Manh Cam, who was present at the signing ceremony, said the Vietnamese Government and people highly appreciated the valuable assistance from Canada in personnel training and transfer of technology. He also spoke highly of the

Vietnam-Canada economic and commercial cooperation now as before.

Speaking on this occasion, the visiting minister stressed that the freshly-inked trade accord would permit the two countries to carry out the Most Favoured Nation status (MFN). Canada was proud of assisting Vietnam's development programmes through projects and schemes it has signed with it.

He also affirmed Canada's wish to maintain a long-term cooperation with Vietnam in the interests of each country and also for regional peace and stability.

The same day, Foreign Minister Nguyen Manh Cam hosted a dinner in honour his Canadian counterpart, who left Hanoi later today for Ho Chi Minh City as the last leg of his Vietnam tour.

#### **Army Paper on Development of Ties With Canada**

*BK1411020895 Hanoi VNA in English  
0654 GMT 13 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 13 — Vietnam and Canada have seen strong development of friendship and multi-sided cooperation since the two countries established diplomatic relations in 1973, says an article published today by the army paper QUAN DOI NHAN DAN.

While the political ties were expanded through a continuous exchange [word indistinct] high level government delegations between Vietnam and Canada, their trade cooperation has seen rapid growth through the numerous economic and commercial agreements, MoUs [Memorandum of Understanding] as well as the establishment of inter- governmental commissions, the paper says.

It further says that in 1994, two-way trade value totalled Cad [Canadian dollar] 58.3 million, nearly twice the figure of the three previous years, and that in the first six months of this year, it rose to cad 43.8 million, or an increase of 85 percent compared with the same period last year.

Many leading corporations from Canadatikitelcom, Northern Telecom, Montreal, Tankers Ait, and Assa have come here to do bus- iness, [word indistinct], noting that the total investment capital that Canada has committed in Vietnam had increased to 170 million. The business circle is now also expanding attention to energy, telecommunications, and infrastructure.

Meanwhile, both government agencies and non-government organisations of Canada have granted Cad 40 million as aid through various direct and indirect agreements. In addition, the Canadian Government has positively contributed to Vietnam's IMF payments and

was an active participant at the donors' conference held in Paris in Oct. 1993.

A new step in development of the friendship and cooperative ties is expected during the Vietnam visit from Nov. 12-14 of the Canadian Foreign Minister, Mr. Andre Ouellet.

#### **Economic Relations With Belgium Reviewed**

*BK1411101295 Hanoi Voice of Vietnam Network  
in Vietnamese 1430 GMT 12 Nov 95*

[Essay by Unidentified Station Editor]

[FBIS Translated Text] [passage omitted on the geographical data and economic growth of the Kingdom of Belgium] Belgium is one of the first Western European countries to establish diplomatic relations with Vietnam since 1973.

During a visit to Vietnam by the Belgian State Secretary for Cooperation in October 1977, a framework agreement on economic, industrial, and technological cooperation, and other agreements on railway cooperation and credit loans were signed by both countries. The Vietnam-Belgium Joint Economic Commission was also established.

The two sides also signed an agreement on investment promotion and protection during the Belgian Foreign Minister's visit in January 1991.

Belgium has actively helped Vietnam improve ties with various international financial and monetary institutions. It has also put us in a list of countries entitled to priority development aid. The Belgian Government has expressed its desire to increase cooperation with and assistance to Vietnam for the sake of mutual interest.

This willingness to help was evident when on Deputy Prime Minister Phan Van Khai's October 1992 visit to Belgium, Brussels canceled Vietnam's \$22 million debt. Later, at a Vietnam aid donors conference in Paris in November 1993, Belgium once again wrote off Vietnam's debts.

Following the May 1993 visit to Vietnam by Deputy Belgian Prime Minister [Kraez] and Prime Minister Vo Van Kiet's June 1993 visit to the Kingdom of Belgium, Belgian Prime Minister [Dehaene] affirmed: The Kingdom of Belgium has reserved for Vietnam, a country rich in natural resources and with a stable political system, preferential status for development aid. It would broaden its cooperation with Vietnam in areas where it is strong and would encourage and create conditions for Belgian businessmen to invest in Vietnam. The point is how to find appropriate measures to broaden mutually-beneficial cooperation.

It is precisely due to this that 100 businessmen accompanied Belgian Prince Phillippe during his visit here in December 1994. The two sides signed 12 projects agreements, including one where Belgium would provide Vietnam with a loan of over 200 Belgian francs at a preferential interest rate, so as to create favorable conditions for Belgian businesses to invest here. In addition to this, Belgian enterprises also signed up many projects to build and renovate various tea processing plants, to manufacture ferro-concrete rail tiles for the Vietnamese railway sector, and to provide equipment to weaving factories and those making street lamps. A project to upgrade the Vietnamese-German hospital in Hanoi was also signed.

However, trade has not grown much, with its value amounting to merely over \$70 million in 1994. It is hoped, however, that the willingness of the Belgian Government and the signing of an official cooperation agreement between our country and the European Union last July, will help boost trade.

In addition to government-to-government relations, the two countries also have the Belgium-Vietnam and Vietnam-Belgium Friendship Associations. The Belgium-Vietnam Friendship Association has been set up since the 1960's and is one of the most dynamic organizations in Belgium. During his recent visit to Vietnam, the association chairman, Mr. [Jean Jetappel], a member of the Belgian Communist Party and a former Belgian member of parliament, said: Before 1975, the association's activities were aimed mainly at disseminating information on the Vietnam war, and the heavy consequences that befell the Vietnamese people. The Belgium-Vietnam Friendship Association launched a fund raising drive to buy medicine, medical instruments, and school aids as gifts for the Vietnamese people. It also organized many mass rallies for the Belgian people to demand an end to the Vietnam war. In 1980, the association built a Vietnam House in Brussels as a place for Vietnamese residents to meet and where Vietnamese activities were held. Members of the association also wrote many press articles dealing with the renovation process in Vietnam.

On the occasion of the Belgian National Day, 15 November, we sincerely hope that the Belgian people will score even-greater achievements in their national development. May the cooperative and friendly relations between Vietnam and Belgium be increasingly consolidated and developed.

**Friendship, Cooperation With Germany Viewed***BK1511070795 Hanoi Voice of Vietnam in English  
1000 GMT 14 Nov 95**[Station Commentary]*

*[FBIS Transcribed Text]* German Chancellor Helmut Kohl will visit Vietnam between November 18 and 19. It is an important event in the relations between the two countries. Here is our radio editor's opinion.

The coming visit to Vietnam of Chancellor Helmut Kohl is included in the visit to several Asian countries. According to foreign news agencies, he left Bonn on Sunday evening to start the tour. The first leg of his tour was China. It will be the first visit to Vietnam by Mr. Kohl, the United Germany's senior statesman.

According to the German Ambassador to Vietnam Mr. Kraemer, Mr. Kohl will be accompanied by 200 people including ministers, parliamentarians, 47 senior business people, and 16 media representatives.

The visit is aimed at establishing broad economic relations with Vietnam and promoting cooperation in culture, education, post and telecommunications, and technology.

Vietnam and Germany are expected to conclude an agreement on avoidance of double taxation and a joint statement on the establishment of a bilateral economic forum. An agreement on financial and cultural assistance and cooperation might also be signed.

Over the last two years, particularly after the official visit to Germany of Vietnamese Prime Minister Vo Van Kiet in mid-1994, rapid development has been seen in bilateral relations. Many delegations from different branches and levels have paid mutual visits, and activities such as fairs, exhibitions, and seminars have been held. Total bilateral trade value this year reached nearly 1 billion deutsche mark, doubling that of last year.

The coming visit to Vietnam of Chancellor Helmut Kohl is considered a macro-bilateral breakthrough in comprehensive cooperation. It will surely be an important event marking a turning point in relations between Vietnam and Germany.

**Deputy Prime Minister Receives Europe Delegates***BK0711152895 Hanoi VNA in English  
1505 GMT 7 Nov 95*

*[FBIS Transcribed Text]* Hanoi VNA Nov. 7—Deputy Prime Minister Phan Van Khai received here this afternoon the visiting delegation of the North European Economic Cooperation and Development headed by deputy foreign minister of Finland, Mr. Mauri Egrert.

The delegation has been here since Nov. 5 to deploy the agreements reached during the visits to north European countries this year by Prime Minister Vo Van Kiet, inquiring into and discussing the possibilities for a number of development projects in Vietnam.

Speaking to his guest, Deputy Prime Minister Phan Van Khai highly appreciated the traditional relations between north European countries and Vietnam over the past decades and expressed his wish that these ties would be fruitfully developed. The Government and people of Vietnam attached importance to and had profound impression upon the assistance of these countries over the past time, he stressed.

Vietnam is now in a process of industrialisation and modernisation so that it has a great demand of investment capital in many fields. To that end the Vietnamese Government has created every favourable conditions conducive to the signing of agreements on monetary and banking with north European countries and exerted efforts to work out detailed projects calling cooperation from these nations, the Deputy P.M. noted.

On behalf of the delegation, Mr. Mauri Egrert expressed his firm belief that the Vietnamese people would succeed in making Vietnam a strong and prosperous country and pledged that he would do his utmost to boost the bilateral cooperation between the two sides.

**Delegation's Talks in Vilnius 9-10 Nov Reported***BK1411023795 Hanoi VNA in English  
1249 GMT 13 Nov 95*

*[FBIS Transcribed Text]* Hanoi VNA Nov. 13—Vietnam and Lithuania have discussed steps to effectively implement agreements signed earlier by the two countries and to sign other accords on cultural, scientific and sea transport cooperation.

The measures were the main topic of talks held recently in Vilnius between Lithuanian Prime Minister Adolfas Slezevicius and Vietnamese Deputy Prime Minister Nguyen Khanh, who paid an official visit to Lithuania from Nov. 9-10. During the talks, Mr. Slezevicius, who visited Vietnam in September this year praised this first visit by a Vietnamese high-level delegation to Lithuania as an event of significant importance in the relations between the two countries.

Both sides also discussed future steps to be taken so that a double taxation agreement could be soon signed. They agreed to set up a joint inter-governmental commission for economic, scientific and technical cooperation in order to further promote their bilateral relations.

The Vietnamese delegation was received on Nov. 10 by Lithuanian President Algirdas Brazauskas, who reaf-



firmed his country's desire to develop multi-faceted co-operation with Vietnam, describing this as one of the priorities in this Baltic state's foreign policy.

Deputy Premier Nguyen Khanh who was accompanied by Deputy Foreign Minister Nguyen Dy Nien, Deputy Minister of Planning and Investment Tran Dinh Khien, and other government officials, left Vilnius on Nov. 10, concluding their two-day visit to Lithuania.

**Government Delegation Visits Latvia 6-8 Nov**

*BK0811162395 Hanoi VNA in English*  
*1613 GMT 8 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov.8 — A delegation of the Vietnamese Government led by Deputy Prime Minister Nguyen Khanh paid a visit to the Republic of Latvia from Nov.6-8 at the invitation of its government.

The delegation included Deputy Foreign Minister Nguyen Dy Nien, Deputy Minister of Planning and Investment Tran Dinh Khien, Ambassador to Latvia Ho Huan Nghiem and other officials of the Foreign Ministry, the Government Office and Trade Ministry.

While there, the delegation held talks with Latvia Deputy Prime Minister and Foreign Minister Valdis Birkavs, Deputy Prime Minister and Minister of Posts and Communication Andris Gutmanis and had working sessions with Minister of Culture Janis Dripe, the acting secretary of state of Finance Ministry, the chairman of the Chamber of Commerce and Industry. It also called at a number of economic and cultural establishments in Riga capital.

During their talks, the two sides informed each other of the current renovation process in Vietnam and reform in Latvia and exchanged views on the promotion of bilateral relations. They unanimously agreed that though being geographically apart the two countries have had traditional friendly relations and potentials to boost their cooperation in economic, commercial, cultural, educational and training fields.

The Latvian side warmly welcomed the first visit to Latvia by the Vietnamese Government delegation as an important event in the two countries' relations and expressed its pleasure at Vietnam's achievements in its socio-economic renovation as well as in the implementation of open-door foreign policy and the diversification and multilateralisation of its relations with other nations.

On this occasion, Deputy Prime Minister Nguyen Khanh and his Latvia counterpart Valdis Birkavs on behalf of the two governments signed an agreement on economic and commercial cooperation and an agreement

on investment promotion and protection between Vietnam and Latvia.

**Do Muoi Addresses Cadres 'Refresher Course'**

*BK0611093895 Hanoi Voice of Vietnam Network*  
*in Vietnamese 2300 GMT 5 Nov 95*

[FBIS Translated Text] Implementing a decision by the Secretariat, and based on the fine results of two recent refresher courses for high-ranking cadres, a third refresher course for high-ranking cadres to study party policies and lines opened at the Ho Chi Minh National Politics Institute on 30 October. Nearly 500 key cadres in charge of agencies at the central and local levels attended the course. Many comrade party and state leaders briefed the participants on the formulation and development of the party-initiated renovation line and its application to the key aspects of social life.

Comrade General Secretary Do Muoi addressed the participants on 4 November. To shed light on the current revolution in our country, the comrade general secretary thoroughly analyzed many important and pressing theoretical and practical problems concerning the renovation process, particularly building and developing the multi-sectoral commodity economy to ensure that it operates according to the market-oriented mechanism, is subject to state management, and follows the socialist orientation. The comrade general secretary devoted much of his time to analyzing new party-building requirements and political, ideological, and organizational tasks for meeting the growing demands of the overall national renovation process. He stressed the need for key leading party cadres to strive for quality and revolutionary ethics and enhance their wisdom and actual work experiences.

**President Signs Orders To Promulgate Laws**

*BK1411050195 Hanoi Voice of Vietnam Network*  
*in Vietnamese 1100 GMT 11 Nov 95*

[FBIS Translated Text] On 9 November, President Le Duc Anh signed Orders No. 43 and No. 44 to promulgate the Law Amending and Supplementing the Law on the Organization of People's Courts, the Law Amending and Supplementing the Law on Business Tax, and the Law Amending and Supplementing the Law on Special Consumption Tax; and to announce the SRV Civil Code and the resolution on the implementation of the Civil Code. The Civil Code and the resolution were approved by the SRV Ninth National Assembly on 28 October 1995 during its eighth session.

On the morning of 11 November, the Presidential Office held a news conference in Hanoi chaired by Director Nguyen Viet Dung to announce the two orders signed by

the president. At the news conference, Justice Minister Nguyen Dinh Loc; Nguyen Van Yeu, vice chairman of the National Assembly Justice Committee; Trinh Ngoc Duong, deputy judge of the Supreme People's Court; and Deputy Finance Minister Vu Mong Giao introduced the Civil Code, the National Assembly resolution on the implementation of the Civil Code, and the three recently-approved amendments.

You are invited to read the entire text of the Civil Code, the Law Amending and Supplementing the Law on the Organization of People's Courts, the Law Amending and Supplementing the Law on Business Tax, and the Law Amending and Supplementing the Law on the Special Consumption Tax in the daily newspapers.

#### **Deputy Finance Minister Announces Taxation Reform**

*BK1211091295 Hanoi VNA in English  
0533 GMT 12 Nov 95*

[FBIS Transcribed Text] Hanoi VNA Nov. 12 — The taxation system in Vietnam will see further reform from Jan. 1996, the Deputy Minister of Finance Vu Mong Giao announced at a seminar in Hanoi last week.

He said that the current taxation regime has been reformed since 1990 in accordance with the country's open economic mechanism, but still showed much irrationality.

The taxes to be reformed in the next stage included value added tax, incorporation tax and private income tax.

Export taxes will be imposed only on certain items in order to encourage export activities. Apart from that, the value added tax and special consumption tax will be applicable to import taxes with the highest rate to be reduced from 200 to 60 percent.

From 1996 to 2006, Vietnam will apply the program on import tax reduction to adapt itself to the common effective preferential tariff (CEPT) and integrate into ASEAN markets.

The country will soon announce a list of imports from ASEAN countries with tax rates cut to between zero and five percent. The list will also be applicable to CEPT to expand export markets, facilitate foreign investment and, at the same time, protect domestic industries.

Currently, Vietnam has exempted turnover taxes for banking activities making it possible for banks to reduce loan interest rates, by 0.2 to 0.3 percent with a view to encouraging businesses to invest in production, said Mr. Vu Mong Giao at the seminar.

## New Zealand

### Mandela Seeks Oil Sanctions Against Nigeria

BK1511035095 Melbourne Radio Australia  
in English 0100 GMT 15 Nov 95

[FBIS Transcribed Text] South African President Nelson Mandela says he is stepping up pressure for oil sanctions to be applied against Nigeria. Nigeria has faced increasing internal and international criticism and it has been suspended from the Commonwealth after executing nine human rights activists last week. Libby Hagiraya reports Mr. Mandela says he will contact President Clinton and Prime Minister John Major later today to discuss the possibility of the imposition of oil sanctions:

[Begin Hagiraya recording] Speaking at an informal breakfast with journalists in Wellington this morning, Mr. Mandela said he is not satisfied with the fact that oil sanctions have not been applied to Nigeria in a wake of the executions of Ken Saro-Wiwa and eight others.

Mr. Mandela said he had asked New Zealand's prime minister, Jim Bolger, to arrange for a phone line to the White House so he can appeal directly to President Bill Clinton for sanctions, and he has also asked ANC representative in London to make the same urgent appeal to British Prime Minister John Major.

Mr. Mandela said when he was first told of the hanging, he was almost out of control with rage — maybe because my request for clemency had been ignored. He said the world can say that Nigeria's General Abacha will not be moved unless some sanctions that can hurt Nigeria's economy can be applied. [end recording]

### Speaks to Reporters

MB1411205795 Johannesburg SAPA in English  
2047 GMT 14 Nov 95

[Report by Jonathon Rees]

[FBIS Transcribed Text] WELLINGTON, NEW ZEALAND, Nov 15 SAPA — South Africa will step up pressure on Nigeria on Wednesday with a direct appeal to Britain and the United States to apply oil sanctions against the west African state following the failure of diplomacy to shift its military ruler Gen Sani Abacha.

President Nelson Mandela is expected to personally telephone British Prime Minister John Major and U.S. President Bill Clinton and ask them to apply oil sanctions.

"I am not satisfied with the fact they are not applying oil sanctions," Mandela told reporters early on Wednesday during his state visit to New Zealand. "I will urge them to apply oil sanctions."

Arrangements were being made through New Zealand Prime Minister Jim Bolger for Mandela to personally contact Clinton. And African National Congress Secretary-General Cyril Ramaphosa, who is in London, would be asked to arrange contact between Mandela and Major.

"We can see we are dealing with a very irresponsible fellow," Mandela said, referring to Abacha, who defied international appeals and executed nine political activists on Friday last week.

The executions resulted in Nigeria's suspension from the Commonwealth in an unprecedented move by the body, which stopped short of recommending sanctions.

"To a hardened man like Abacha...he will not be moved unless some sanctions which can hurt Nigeria's economy are applied," Mandela said.

He said Commonwealth heads of government felt Nigeria's military rulers would not be pushed towards restoring democracy unless oil sanctions were applied. Oil sales generate most of Nigeria's revenue and oil sanctions are seen as the key means to press Abacha's government towards democracy.

Mandela said Abacha's plan to restore democratic civilian rule in Nigeria over three years was not acceptable to South Africa. He called for an independent structure in Nigeria, comprising mainly civilians, to oversee democratic changes and plot Nigeria's return to democracy.

He said he would contact the presidents of Zimbabwe, Botswana and Namibia as soon as possible to inform them of his calls to Clinton and Major.

Mandela said South Africa's earlier policy of quiet diplomacy to push Nigeria towards democracy had clearly not been successful. However, he defended initial attempts to influence Abacha with dialogue, which included several telephone calls to the Nigerian leader from Mandela and the despatch of Deputy President Thabo Mbeki and Archbishop Desmond Tutu to Nigeria as his envoys.

"In my view it was absolutely correct, especially for us in the ANC. We don't forget the role Nigeria played in our struggle."

This included a donation of US\$5 million given to the African National Congress by former military ruler Gen Ibrahim Babangida in 1990 when Mandela visited Nigeria.

"I had that in mind. It was difficult for me just to start with drastic actions," Mandela said. "But once they took this action (the executions), it was a slap in the face for the Commonwealth."



The hangings enraged Mandela, who said "I was almost out of control...it may have been because I felt slighted".

**Mandela Says Relations Improving, Signs Pact**

*MB1511074395 Johannesburg SAPA in English  
0725 GMT 15 Nov 95*

[FBIS Transcribed Text] Wellington, New Zealand, Nov 15 SAPA — Relations between South Africa and New Zealand were in good shape and growing, the leaders of the countries said on Wednesday.

South African tourist visits to New Zealand were up 40 per cent on last year and trade had grown six-fold since 1990, New Zealand Prime Minister Jim Bolger told a media briefing with President Nelson Mandela. Besides trade, Mandela said, increased contact was visible in sport, the environment, education, agriculture, science and technology.

"We would like to encourage New Zealand and South African entrepreneurs to seize the enormous opportunities in both our countries by investing in productive ventures," he told a banquet in his honour. Co-operation with New Zealand would benefit all of southern Africa.

Mandela and Bolger earlier signed an agreement on co-operation in Antarctic research. Both countries have

research stations in Antarctica. Bolger said he had accepted an invitation to visit South Africa next year, with Mandela urging him to come during the All Blacks' rugby tour. The pair on Wednesday settled a rugby bet, with Bolger giving Mandela a case of New Zealand's finest wines won when the Springbok's beat the All Blacks to win the Rugby World Cup in June.

**Mandela's 'Strong Stand' on Nuclear Issues**

*MB1511072595 Johannesburg SAPA in English  
0707 GMT 15 Nov 95*

[FBIS Transcribed Text] Wellington, New Zealand Nov 15 SAPA — President Nelson Mandela took a strong stand against nuclear weapons and testing on Wednesday as he wound up a state visit to New Zealand.

"South Africa is fully committed to the maintenance of world peace and we support the elimination of weapons of mass destruction," he told a banquet in his honour. "We share New Zealand's opposition to the testing of nuclear weapons in the South Pacific...because it is not in the interests of humanity."

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